

The Title Examiner

A QUARTERLY PUBLICATION OF THE



MICHIGAN LAND TITLE ASSOCIATION

Integrity ◆ Responsibility ◆ Service

FALL 2010

**See page 16
for your MLTA
Vinyl Cling and
the unveiling
of our new
MLTA Logo!**

WHAT'S INSIDE

New MLTA President Interview.....	Cover
Board of Directors.....	2
Member Spotlights.....	3
New Members.....	3
On The Move.....	3
Views From the Top.....	4
In Memoriam - Patrick Parks.....	4
Abstractions.....	5
Legislative Update.....	6-7
Tax Lien Foreclosure.....	8
MLTA-PAC Auction.....	9
Summer Convention 2010.....	10-12
Sponsorship Thank You.....	13
Affiliated Business Arrangements.....	14
PR Committee Update - New Logo....	16
YTD Housing Stats.....	16
HUD Rules Update.....	17
Reconciliation Awareness.....	18
Mind Capture Marketing.....	19
MLTA-PAC Sponsorship.....	20

Advertisers:

SoftPro.....	5
A.S.K.....	9
Old Republic.....	17

Convention Sponsor Advertisers:

McClelland & Anderson, L.L.P.....	12
Comerica Bank.....	12
Plunkett Cooney.....	13
Baker Daniels.....	13
Attorneys Title Agency.....	14
Kitch Attorneys & Counselors.....	14
Bernard, Ronayne & Glusac, P.C.....	15
First American Title Insurance Co.....	15

Tim McDonnell, Our 2010-2011 MLTA President

an interview by Darlene Wilsey, State Agency Representative, Fidelity National Title Group

Recently, I made the effort to re-familiarize myself with the Michigan Land Title Association's Mission, Value and Vision statements. Doing this, while reflecting on past and present MLTA leadership, reinforced my confidence in our organization's ability to enhance, promote and protect the integrity of our industry's products and services. The actions of past leaders, combined with Tim McDonnell's dedication, knowledge, and wherewithal should instill a sense of pride and accomplishment in each of us and give us all reason to be excited for our industry's future, in Michigan!

Tim was kind enough to give us some insight on what we can expect from the Michigan Land Title Association, during his tenure!



(Darlene) What do you hope to accomplish during your term as President of the Michigan Land Title Association?

(Tim) As I indicated in my remarks at the Annual Convention, I would like to key in on three important areas:

1. **Active Membership**—I want to work with the Membership Committee to encourage all agents in Michigan to become active members in the Association. By active membership, I mean not only signing up and paying your dues, but getting involved in one of our many great committees to further the goals of the Association.
2. **Leadership**—Our Association has made great strides in taking a leadership role on matters that affect our members. I would like continue on that path through our legislative involvement, support of the Political Action Committee and through our steps to educate our customers, consumers and regulators. Specifically, it would be great if we could see our efforts on Re-Insurance, E-Recording and Bulk Access to Records move through the legislature and become law in the next 12 months.
3. **MLTA-PAC**—Would it be me if I did not mention the importance of the PAC? Annual giving to the MLTA-PAC must become a habit for all of our members. As Mark Winter, ALTA President, said at the Convention, "If we want to run with the big dogs, we have to move our PAC from a tug boat to an ocean liner!" Our PAC is an important tool that we can use to support candidates who understand the importance of our industry. This is not only at the state level but local and county as well. The size of the PAC is the only thing that limits our ability to support these candidates. Everyone needs to consider giving every year!

(Darlene) What specifically can the Michigan Land Title Association do to further champion the value of our member's products and services?

(Tim) I think the most important thing that the MLTA can do to support our members and our industry is to continue to work on education and public relations initiatives that help our customers, regulators and the general public better understand the importance of

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(An interview with Tim McDonnell -continued from page 1)

our participation in the transfer of real estate. The whiteboard video on the MLTA web-site and the soon to be released Title 101 presentation are just a couple of tools that the Association provides to our members to accomplish this goal. We need to continue our efforts in this area to assist all of our members. Educated consumers are important to all sectors of the economy, and the title industry is no exception.

(Darlene) What can the Michigan Land Title Association do to assist the American Land Title Association with its objective to enhance local and federal policymakers' understanding of the land title industry?

(Tim) That is a great question. As a matter of fact, we recently received an inquiry from ALTA about our Closing Costs whiteboard video. They would like to find out more about our video and look at something similar on a national scale. Additionally, ALTA just initiated a monthly conference call with the State Executives to keep us in the loop on what is happening nationally and to find out if there are any trends developing in states across the country. The bottom line is that we need to proactively communicate with ALTA and vice-versa, so we are making the best use of all of our resources when addressing matters of public policy. The Michigan Board began working more closely with ALTA over the last two years and I would like to continue to take advantage of the experience of both Associations where appropriate.

(Darlene) What lessons have you learned from past Michigan Land Title Association Presidents that will help you achieve your objectives this year?

(Tim) I have had the good fortune to serve on the Board with a number of fine MLTA presidents, and through my agency relationships I have worked with a number others. I think the most important thing that I have learned from all of them is that the Association must keep all members' interests in mind—from the smallest independent title agency to the largest underwriter—when making decisions that will impact the entire industry. Through the years, I have observed a number of different leadership styles handling a variety of situations—some quite difficult. I think this has given me a good understanding of what the job entails. Fortunately, many of the past presidents are still active in the Association so I have a number of people that I can call upon for advice if needed. We are very fortunate to have so many people who have served the Association as President and continue to stay active in the Committee structure.

Tim's long standing, pro-active and comprehensive participation in the Michigan Land Title Association serves as an example to all of us. He made a conscious decision to make his membership status count, something we should all strive to do.

Thank you for your years of service, Tim, and Best Wishes for a GREAT YEAR!

THE TITLE EXAMINER STAFF

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with any questions, comments, or if you would like to contribute.



MLTA Member Spotlight

Name: Adam Kutinsky

Position: Attorney

Company: shareholder with Kitch Drutchas Wagner Valitutti & Sherbrook



County & Office I work out of: Detroit, Wayne County (but our firm also has fully staffed offices in Lansing, Mt. Clemens, Marquette, Toledo & Chicago).

MLTA Involvement: I have attended the MLTA fall educational seminars and summer conventions for the past eight years. I am a past member of the PAC Committee and a current member of the Legislative Committee. I strive to give back as much as I have received from the MLTA over the years by regularly contributing articles on significant judicial decisions to the Title Examiner and through fundraising efforts.

Personal Interests/Hobbies: My family is my #1 interest, and spending time with my beautiful, intelligent wife and wonderful children is my #1 hobby! When I'm not spending time with my family, I enjoy running, playing guitar, watching the Red Wings and MSU basketball, cooking and reading.

Something to share with MLTA members: In addition to being an attorney, I am also a Chartered Property Casualty Underwriter (CPCU), which is a highly respected designation in the property casualty insurance industry. However, even though I spend a lot of my time thinking about insurance coverage issues, I'm still a pretty fun person!



Welcome New Members

**Sun Title Agency
(Grand Rapids, MI)**

**One Stop Recording
(Farmington Hills, MI)**

**Schneiderman & Sherman
(Farmington Hills, MI)**

Name: Doug Smith

Position: Vice President, Associate Senior Underwriter

Company: Stewart Title Guaranty Company

County & Office I work out of: Offices located at 26555 Evergreen, Southfield, MI 48076, Wayne County.



MLTA Involvement: I have been a member of the Association for 27 years and was member of the Education Committee, the Legislation Committee and I am currently a member of Legislative Steering Committee, Nomination Committee and KEGS. I have been a frequent lecturer at the MLTA Educational Seminars for 20 years. I was a Board Member of the Association as well as President in 2002 and was awarded the Mary Fiendt Award in 2006.

Personal Interests/Hobbies: I enjoy sports, music, working out and spending time with my family.

Something to share with MLTA members: I have enjoyed watching our Association grow over the years from its humble beginnings to becoming a viable and active participant in the legislative process. I greatly value the friendships and relationships that I have developed over the years with my colleagues and associates and I marvel at what a resilient group of professionals we have become.



Name: Emily Hedlund

Position: Supervisor of Title Operations

Company: Michigan Shores Title Agency

County & Office I work out of: Ottawa County - Holland, MI



MLTA Involvement: I've attended various educational seminars over the years that pertain more toward the examination segment of our industry. I look forward to future seminars to continue enhancing my knowledge of Title Insurance.

Personal Interests/Hobbies: When not working, I enjoy spending time with our two Labrador Retrievers. Our Chocolate Lab is named Ruby and the Black Lab is named Precious, but she isn't always so precious, that's for sure. I also recently took up fishing since it's my husband's favorite activity. I'm far from a pro, but at least I'm finally willing to touch the fish I catch.

Something to share with MLTA members: I recently married Kevin Hedlund on June 11th, 2010. We had a beautiful wedding at Bay Pointe Inn on Gun Lake. I've been in the Title Industry for over 13 years, having started while in high school working for my Dad, Gerry Pylman, who many of you in the MLTA may know. I am a proud second generation Title person. :)



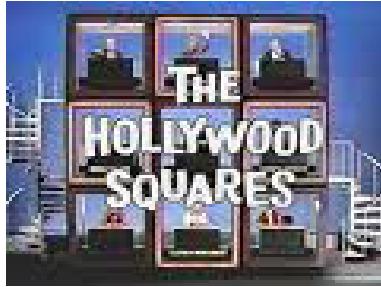
On the Move

David Martyn, Vice President, Associate Senior Underwriter and Manager of the Stewart National Title Services office in Detroit, Mich. has been sworn in to practice before the U.S. Supreme Court.

Views from the Top

Greetings from the North to all my land title buddies. Hope this letter finds you all in good humor and good health. Well, I see you had your annual convention up in our country a bit ago. Nice digs you had to boot! And what a turn out! Good going to all those who made that happen.

I was out there on the web the other day and came across



some highlight questions from the old TV show Hollywood Squares and some of them made me laugh out loud. So I am going change up on you and instead of blabbing on I am just gonna share some of these with you in this issue. Some of you young 'uns may not

recognize the names but you won't have trouble with these spontaneous answers by these famous folks.

Q: True or False: A pea can last as long as 5,000 years.

A: George Gobel. "Boy, it sure seems that way sometimes".

Q: You've been having trouble going to sleep. Are you probably a man or a woman?

A: Don Knotts. "That's what's been keeping me awake".

Q: In Hawaiian, does it take more than three words to say "I love you"?

In Memorium: Patrick Parks

Patrick was a devoted family man and a loyal friend. He had an incredible work ethic and a charisma that allowed him to immediately connect with people and see the good in everyone.

He enjoyed playing golf and liked to travel, but most of all he loved spending time with family. He was a member at Red Run Golf Club and the Birmingham Athletic Club.

He was a 1985 graduate of Brother Rice High School and received a bachelor's degree in finance from Marquette University in 1989.

Patrick was the President and owner of Parks Title Company in Royal Oak, which he founded in 1991 and was also a member of the Michigan Land Title Association.

Beloved husband of Katie. Dear father of Madelyn and Clare. Son of Edward and Gerri and the late Janet. Brother of Brian, Kathy Hoffman (Steve), Michael (Megan), Joan Bakken (Eric) and John Hull (Karin). Uncle of Kate, Bridget and Tim Hoffman; Jack, Connor and Bryn Parks; Christopher, Alex and Peter Hull and Joey Bakken. Son-in-law of Frank and the late Mary Anne Barthel. Brother-in-law of Brian Barthel. Godfather of Connor Parks, Pat Smith and Charlotte Vachon. Also survived by numerous friends at Brother Rice High School and Marquette University.

Funeral Mass was held Monday, August 16th at Holy Name Church, in Birmingham. Memorial tributes to Holy Name Church SEED Foundation, 630 Harmon, Birmingham, MI 48009, Brother Rice High School, 7107 Lahser Rd., Bloomfield Hills, MI 48301 or Marquette University, P.O. Box 1881, Milwaukee, WI 53201

A: Vincent Price. "No, you can say it with a pineapple and a twenty".

Q: "Paul, why do Hell's Angels wear leather?"

A: Paul Lynde. "Because chiffon wrinkles too easily".

Q: When you pat a dog on it's head he will usually wag his tail. What will a goose do?

A: Paul Lynde. "Make him bark".

Q: If you were pregnant for two years, what would you give birth to?

A: Paul Lynde. "Whatever it is, it would never be afraid of the dark".

Q: Back in the old days, when Great Grandpa put horseradish on his head, what was he trying to do?

A: George Gobel. "Get it in his mouth".

Q: Jackie Gleason recently revealed that he firmly believes in them and has actually seen them on at least two occasions. What are they?

A: Charley Weaver. "His feet".

Q: Do female frogs croak?

A: Paul Lynde. "If you hold their little heads under water long enough".

So there you are. Hope I got a smile out of ya. That's the way I see it and this is the view from the North so you can see from the country what it looks like from here to there from time to time.



Regards,
Lester Sam Hill



Patrick John Parks
Jul. 28, 1967 - Aug. 12, 2010
Born in Royal Oak, MI
Resided in Bloomfield Hills, MI



ABSTRACTIONS

by Allan Dick, CEO, Best Homes Title

July in Northern Michigan – it doesn't get much better than that (which may be one reason why we always have the pleasure of the ALTA President attending our MLTA Summer Convention). This year was no exception – so much so that we had extraordinary attendance, more than anticipated, which taxed the facility's resources and staff a bit, especially right on the heels of three weddings, as those groups departed. But, what a beautiful facility Bay Harbor is! And, what a wonderful convention (thanks to the convention committee for that!).

While there is a more detailed convention summary elsewhere in this issue of The Title Examiner, I can't help mentioning the MLTA's own "fab five" with keyboard-vocalist Tony Viviani, drummer-vocalist David Martyn, rhythm guitarist Adam Kutinsky, lead guitarist John (nickname, please) Bommarito and bass playing lead vocalist Tobias Lipski. These five musical attorneys were dubbed the "Unreal Property", and they were most entertaining! Thanks guys!



We all know about property "flipping" – both the more legitimate types, and the fraudulent abuses thereof (when properties were artificially over-valued). Well, a new term has emerged in the latest of the fraudulent real estate schemes – "flopping". That term is applied to situations where a "short sale" is being attempted, and the collusion of an appraiser with

an investor results in an undervalued appraisal to facilitate a low-ball price for the short sale offer, enabling the investor to flip the property for a profit at the bank's expense. Fraud just won't go away.

To that end, the next MLTA Education Seminars (Oct. 13 in Mt. Pleasant & Nov. 10 in Livonia) will have sections devoted to both short sales and fraud stories, among other things. Watch your mail and email for the details and registration form.

Another section in the fall seminar will be a brief update on the RESPA changes. Interestingly, according to Bankrate, Inc., the average origination and third-party fees on a \$200,000 mortgage increased 36.6% in the last year. One reason for that jump is the new GFE requirements, which penalize lenders for undershooting on the GFE. Naturally, the new GFEs and the resulting costs tend to be on the higher side. The other factor is the increased labor cost lenders incur to comply with the tighter underwriter standards and background checks.



While government and industry experts agree that consumer interests in buying homes is an essential element to a healthy real estate market and a critical factor in the prospect of an economic recovery, the US Census Bureau and the US Department of Housing and Urban Development note that the number of Americans who own homes is falling, and that regrettably, the American Dream of homeownership may be fading into the background for many.

On the brighter side, mortgage rates have continued to fall to the lowest levels since Freddie Mac started keeping records in 1971. The last time rates were cheaper was in the 1950s, when most mortgages were for 20 or 25 years. The rate in late August was 4.36% for a 30-year, fixed rate mortgage loan, and 3.86% for a 15-year. It's a good time to be a buyer or to refinance.



Finally – especially for you Detroit area readers – for all of you who periodically deal with traffic jams and orange barrel fever, this word out of Beijing, China. Thousands of vehicles were bogged down last night in a 62 mile traffic jam leading into Beijing – that lasted 9 days! Due mostly to heavy cargo-bearing trucks and road maintenance work, the traffic jam has spawned a mini-economy with local merchants selling food and water at inflated prices to those mired in the massive jams. China's continued economic expansion has overwhelmed its recent attempts to improve its national road system to accommodate the expansion. Hey, maybe that weekend drive down I-75 isn't so bad after all.



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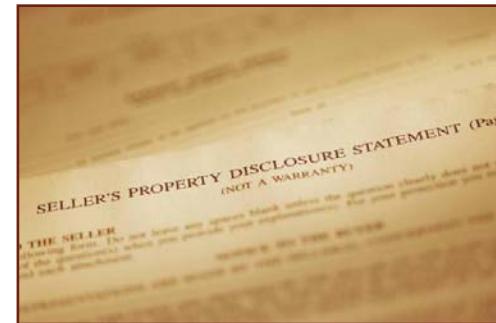
Legislative Update

by Cami Pendell,
Michigan Legislative
Consultants

E-Recording Legislation Signed by Governor

On July 19, 2010, which also happened to be during MLTA's Summer Conference, Governor Granholm signed Senate Bill 791 (Van Woerkom) which was a legislative priority for our association. This initiative, now Public Act 123 of 2010, pertained to the recording of electronic documents. More specifically, it does the following:

- Provides that an electronic document will satisfy any requirement that a document be an original for the purpose of recording;
- Provides that an electronic signature will satisfy a requirement that a document be signed for the purpose of recording;
- Effective January 1, 2011, creates an Electronic Recording Commission and requires it to adopt standards to implement the proposed new act, keeping the standards in harmony with those of other jurisdictions that enacted it;
- Requires a county register of deeds who implements functions related to the recording of electronic documents to do so in compliance with the standards established by the commission; and, requires a county register of deeds who accepts electronic documents to also continue to accept paper documents, and to place entries for both types of documents in the same index.



SB 791 is a great example of MLTA teamwork. This bill was part of our Legislative Day efforts in February when members were able to share with Senators and Representatives how important this issue was to them and the industry. Additionally, the Legislative and Legislative Steering Committees worked to review this legislation and address questions that were raised by Legislators, the Department of Technology, Management and Budget and other organizations as it worked its way through the legislative process. Finally, Jim Robinson testified on behalf of MLTA during the House Intergovernmental and Regional Affairs expressing our support for the bill. All of these efforts were successful in the end with the Governor signing the legislation and creating a new law allowing the electronic recording of documents.

Primary Election Complete, Party Conventions On Deck

Secretary of State Terri Lynn Land announced that nearly 1.7 million voters cast ballots in Tuesday's primary, based on unofficial returns. This turnout reflects 22.9 percent of Michigan's 7.2 million registered voters. With the August 3rd Primary Election now behind us, the dust from the political field is beginning to settle to provide us with a vision of who we will see on November's General Election ballot. At the top of the ticket, Republican Rick Snyder and Democrat Virg Bernero will be battling it out to become Michigan's next Governor. Snyder's campaign centers on "reinventing" Michigan and Bernero's is about fixing state government – these themes reflect the voters' mood of wanting to see change in their state government. While the top of the ticket and candidates for Congress, the state House and state Senate are now set, the Republican and Democratic candidates for Lieutenant Governor, Secretary of State, Attorney General and State Supreme Court will officially be decided at their respective party conventions at the end of August.

Legislature Passes Resolution Placing Question on November's Ballot

Michigan voters will have another question posed to them during this year's General Election in November. They will be asked whether the state Constitution should be amended so that convicted felons would be ineligible for election or appointment to state office or to even hold public employment if it involves policy making within the immediate preceding 20 years of that conviction. More specifically, a person would have to be convicted of a felony involving dishonesty, deceit, fraud or a breach of the public trust and the conviction was related to the person's official capacity while holding any elected or appointed local, state or Federal office. Senate Joint Resolution V, sponsored by Tupac Hunter (D-Detroit), was passed by the Senate by a vote of 35-0 and passed by the House of Representatives by a vote of 91-13. It should be noted that Joint Resolutions do not need the signature of the Governor. As an example of the impact this could have if passed by the voters, former Detroit Mayor Kwame Kilpatrick would not be eligible to be elected to any office for the next twenty years in Michigan. The Board of State Canvassers has a meeting scheduled for August 23, 2010 to determine the wording of this proposal for November's ballot.

Tea Party Crashers

A new political controversy is brewing in Lansing over whether "Tea Party" candidates should be allowed on the November General Election ballot. Petitions were filed with the Secretary of State to register the Tea Party as a political party for the general election. However, Tea Party activists insist that the Tea Party is a movement, not an actual political party. They contend that Democrats are behind this ballot effort because it would take votes away from Republican candidates in races that are close and would therefore help the Democratic candidate win the election. Additionally, they noted that several individuals that worked to get the Tea Party listed on the general election ballot have connections with the Democratic Party. These connections include previous donations to Democratic candidates, an Oakland County Democratic Party staff member's involvement with the Tea Party affidavit process, Tea Party candidates that previously ran as Democrats in other elections and filing candidates to run in only very close, competitive seats. The Michigan Democratic Party denies any involvement. This controversy will not likely be resolved until the end of August when the State Board of Canvassers decides if the petition contains enough valid signatures to place the Tea Party and its candidates on the ballot.

State Announces Helping Hardest-Hit Homeowners Fund

Governor Granholm announced that the Michigan State Housing Development Authority (MSHDA), along with banks, credit unions and nonprofit counseling agencies, launched a statewide program to help eligible Michigan homeowners avoid foreclosure by participating in the state's new \$154.5 million Helping Hardest-Hit Homeowners Fund. Those who may be eligible include Michigan homeowners who are currently receiving unemployment compensation, homeowners who have fallen behind in their mortgage payments or taxes due to a temporary layoff or medical emergency and homeowners who can no longer afford their mortgage payments due to lower household income. The Helping Hardest-Hit Homeowners Fund is designed to help as many as 17,000 Michigan homeowners avoid foreclosure. MSHDA began accepting applications from mortgage loan servicers on July 12th. Applicants can expect final approval to occur within 48 hours of the state's receipt of a complete application package. MSHDA anticipates that it could take 12 to 18 months before the state's hardest-hit fund is entirely distributed. Eligible homeowners can obtain more information regarding the fund by calling 866-946-7432 or visiting www.michigan.gov/HardestHit.

Federal Trust Fund Created to Clean Up and Reuse Closed GM Plants

Governor Granholm unveiled an important federal framework that will invest more than \$800 million to speed the cleanup and redevelopment of closed GM plants in Michigan and 13 other states to put those facilities back into productive use. Michigan will garner the most funds of any state under the trust fund. The framework will allocate \$536 million for the cleanup of the properties and approximately \$300 million to assist the states and communities in dealing with property taxes, demolition costs, plant security costs, and other expenses. Of the 90 sites covered by the plan, 47 are in Michigan. Affected communities include Bay City, Burton, Detroit, Flint, Lansing, Lansing Twp., Livonia, Mt. Morris, Pontiac, Romulus, Saginaw, Van Buren Twp., Wyoming and Ypsilanti. Michigan's Phoenix program brings the state, current and former property owners, businesses, communities, developers and other parties together to inventory and promote for reuse former manufacturing sites. The program includes buildings of 500,000 square feet or more and land sites of 80 acres or more where former manufacturing facilities have already been demolished.

Member Spotlight...

In last quarter's Title Examiner, we highlighted the Chair of the House Intergovernmental and Regional Affairs Committee. We are now going to turn the spotlight on to that committee's minority vice chair, State Representative Pete Lund. Rep. Lund, of Shelby Township, was elected in November 2008 to his first term in the Michigan House of Representatives. He represents the 36th House District, which includes Shelby, Washington and Bruce townships in Macomb County. The Republican lawmaker previously served for more than 10 years as a Macomb County commissioner. In addition to holding public office, Lund is a small business owner and founder of Direct Mailers, a mail house in Macomb County, as well as an adjunct professor of public finance at Walsh College. Lund has a B.A. in Economics and Political Science from Adrian College and an M.B.A. with an emphasis in Finance from Wayne State University. He and wife Karen Potchynok-Lund have two young daughters.

Calling All MLTA Political Pundits

Think you know who will win in Michigan's November General Election? Well, let's put your predictions to the test. Enter MLTA's Political Pundit Contest for a chance to win a Starbuck's gift card and, more importantly, bragging rights for the next year on your political prowess. All you have to do is select who you think will win in the races listed below. Be sure to include the percentage vote you think they will get because those will serve as a tie breaker if we have more than one person that selects the right candidates.

Governor

Rick Snyder (R) _____ percent of vote
Virg Benero (D) _____ percent of vote

Congress

7th District

Tim Walberg (R) _____ percent of vote
Mark Schauer (D) _____ percent of vote

9th District

Rocky Raczkowski (R) _____ percent of vote
Gary Peters (D) _____ percent of vote

State Senate

7th District

Patrick Colbeck (R) _____ percent of vote
Kathleen Law (D) _____ percent of vote
John Steward (I) _____ percent of vote

State House

101st District

Bruce R. Rendon (R) _____ percent of vote
Dan Scripps (D) _____ percent of vote

Send your responses back to: Michigan Legislative Consultants, C/O MLTA's Political Pundit Contest, 110 W. Michigan Avenue, Suite 600, Lansing, MI 48933. Or, you can e-mail your answers to Cami Pendell at cami@mlcmi.com. Please be sure to put "MLTA'S Political Pundit Contest" in the subject line. Good luck!!

The U.S. Court of Appeals recently permitted the federal government to foreclose a tax lien for debt owed by a Husband alone, against a home he owned with his Wife, as entireties property. United States vs. Carolyn Barr and Charles Barr, et al (U.S. Court of Appeals for Sixth Circuit, August 4, 2010.)

Nothing is Certain But Death and Taxes:

U. S. Appeals Court Permits Government to Foreclose Tax Lien Against Husband, on Entireties Property

by

GREGG A. NATHANSON, ESQ.,
COUZENS, LANSKY, FEALK,
ELLIS,
ROEDER & LAZAR, P.C.

Ordinarily, if a Husband and Wife own property together, as tenants by the entireties, neither spouse's creditors can force a sale of the property. Both a Husband and Wife must consent to a transfer or encumbrance of entireties property. Unless, of course, you are the United States government.

The facts are not pretty. Husband owed the government more than \$300,000 in unpaid income taxes. After the government received a default judgment against Husband, it sought to foreclose the federal tax lien securing payment of the Husband's debt, against the marital home owned by Husband and Wife, as tenants by the entireties. A federal law authorizes federal courts to order a sale of property to enforce a federal tax lien. 26 U.S. Code Section 7403.

Wife objected. She asked the U.S. District Court to exercise its equitable discretion to stop the sale. She argued that actuarial tables show she will out live her Husband. Therefore, her remainder interest in the Property exceeds his, and she owned more than 50% the value of the home. She also complained that her Husband alone had unpaid federal tax liabilities, and the home was owned by both Husband and Wife, as entireties property.



The Court of Appeals disagreed with her. It held that equal division of the property was appropriate under Michigan law, and that Husband and Wife each have an equal 50% interest. Further, in order to ask a court to "do equity", the person making the request must have "clean hands". The Court noted that Wife assisted in shifting properties other than the marital home out of the Husband's name and into her name. As a result, Wife bore some responsibility for the fact that the government

could only collect back taxes by foreclosing upon the marital home.

This case expanded upon a legal principle established by the U.S. Supreme Court, in United States v. Craft (2002). In the Craft decision, the U.S. Supreme Court held that a federal tax lien may attach to a taxpayer's interest in real property held with the spouse as tenants by the entireties. The newly decided U.S. Court of Appeals decision goes one step further, and upholds the government's right to foreclose a tax lien securing the debt of just one spouse, against entireties property.

Moral of the story: If your spouse fails to pay their federal income taxes, look out. The government can sell your home.

For further information, contact Gregg A. Nathanson, Esq., an attorney at the law firm of Couzens, Lansky, 39395 W. 12 Mile Road, Farmington Hills, Michigan 48331, telephone 248-489-8600 or gregg.nathanson@couzens.com

The information contained herein does not attempt to give specific legal advice. For advice in particular situations, the services of a competent real estate attorney should be obtained. These materials are the exclusive property of Gregg A. Nathanson, Esq., and no reprint or other use of the information contained herein is permitted without Mr. Nathanson's express prior written authorization.

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MLTA - PAC Auction A Big Hit!

The MLTA-PAC Silent Auction was a big hit with those in attendance at the Summer Convention. In total, the auction raised \$4,022 for the PAC. There were many great items and we would like to thank the people who **donated** those items:

Bill Robinson	Attorneys Title
Allan Dick	Best Homes Title
Doug McFarlane	Corporate Title Company
William Kandler	Cusmano, Kandler and Reed
Sarah Sutton	Fidelity National Title Group
Margo Hannum	First American Title
Debbie Wiley	First American Title
Sharron Ardanowski	First American Title
Diana Parker	First American Title
Jill Scholtz	First American Title
Brian Coon	Genesis Servicing Corporation
Cathy Lamont	Lamont Title
Tim Ward	Michigan Legislative Consultants
Lisa Cincinelli	Old Republic Title
Tim McDonnell	Old Republic Title
Brian Potestivo	Potestivo & Associates
Jennifer Lawrence	Stewart Title Guaranty
Marcy Welburn	Transnation Title of MI

We would also like to thank the successful **bidders** on those items:

Bill Robinson	Attorneys Title
Marci Powers	Attorneys Title
John Bommarito	Attorneys Title
Allan Dick	Best Homes Title
Doug McFarlane	Corporate Title
Jerome Jelinek	Corporate Title
Cindy Immonen	DataTrace
Curt Dinklemeyer	Devon Title
Diane Forro	Fidelity National Title
Debbie Wiley	First American Title
Sharron Ardanowski	First American Title
Diana Parker	First American Title
Brian Coon	Genesis Servicing Corporation
Bob Wuerfel	Lighthouse Title
Tim Ward	Michigan Legislative Consultants
Tim McDonnell	Old Republic National Title
Sam Halkias	Old Republic National Title
Marcy Welburn	Transnation Title Agency



The MLTA-PAC is still in need of funds for the important elections that are just a few months away. Please contribute to the PAC to help us support candidates who understand the importance of our industry.



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Summer Convention 2010

Here's a great recipe for a summer convention; take one great location, mix it with good weather and blend it with a wonderful group of people, and you will get one smooth operation.

Bay Harbor, in Petoskey, ranks as one of the new favorites for convention locations on its first try. Even light rain on Sunday evening, which drove the IceBreaker Reception inside along with the BBQ, didn't dampen attendees' spirits. How could you not smile with the "Unreal Property" Band entertaining? John Bommarito, Dave Martyn, Adam Kutinsky, Tony Viviani and Tobias Lipski made great music. And we are looking for a repeat performance sometime down the road! A BIG THANK YOU goes out to all of our sponsors for making this event affordable and possible. The number of attendees was up in a down economy. (See page 13, for all of the sponsors of this convention)

Monday morning, the KEGS met for their annual recommendation of two new Directors and a choice for the move into the Chairs beginning with the Secretary-Treasurer position for the slate to be voted on later that morning. Several folks stepped up to the plate and it's always a tough choice. Allan Dick was elected to the Secretary-Treasurer position after serving on the Board of Directors for three years. Jeff Basil and Marcy Welburn were elected as incoming Directors. In addition, the Amendment to the Bylaws of the MLTA to add "or email" in several sections of the bylaws was voted on and passed.

American Land Title Association President, Mark Winter, continued ALTA's unbroken streak of attending our conventions and gave an overview of events in Washington DC and presented ALTA's plan which included providing leadership, enhancement of image for the title industry and education of our political leaders. He emphasized that the title industry collects more than \$1.75 billion in delinquent property taxes and \$325 million in delinquent child support payments. He mentioned that over 95% of mortgages are government funded and wondered what the next generation of Fannie Mae and Freddie Mac would look like. He is concerned that the title insurance industry may be excluded from the decision making process.

President Winter also reminded us that our Michigan delegation to Washington is among the most senior including Sen. Carl Levin and Representative Fred Upton. He urged us to contact our members of congress and help them understand what it is that we do.

Even if sports are not your thing, our guest speaker that Monday morning was incredible. Don Yeager is a bestselling author and told us that he studies sports figures to find out what moved them from good to great. He has discovered that they hate to lose more than they love to win. Quoting basketball great Michael Jordan, "It's personal". Yeager entertained us with a story of playing one on one basketball with MJ and being only one of six people to have beaten MJ one on one. Great story. See his Sixteen Consistent Characteristics of Greatness at: www.donyeager.com

Sailing on Lake Charlevoix or golfing at the Petoskey-Bay View Country Club with proceeds going to the Habitat for Humanity cause, was a great way to spend the "free" afternoon.

Beautiful Little Traverse Bay was the backdrop at the marina for our President's Reception on a lovely evening. Great food, drinks and conversation were enjoyed by all. It was difficult to move the guests and members inside to the annual banquet. Eventually all came in, and after a fabulous dinner listened to President Doug McFarlane. With a wide smile President McFarlane spoke of the many challenges throughout the year and thanked many for their support.

ALTA President Winter installed our Board of Directors and new President Tim McDonnell. This is the first time in its 109 year old history the MLTA has had a President with pink hair! McDonnell is wearing his hair pink in recognition of his fund raising efforts for breast cancer. McDonnell concentrated on 3 areas that he and the membership need to work on this coming year. **Leadership** – he gave us an assignment to invite the candidates into our offices. **PAC** – a long time advocate McDonnell would like to see this be an ocean liner and not a tugboat. And **Membership** – we need to add those who work in title insurance to our ranks to make our organization even stronger. He is looking for current members to become more active.

Last year's winner of the Robert J. Jay Award, Jerome Jelinek, came to the podium and spoke of this year's winner. Mentioning his tireless efforts and excellent skills and dedication to MLTA, Jelinek presented Robert Wuerfel with the 2010 Robert J. Jay Award. At first, Wuerfel was speechless! Apparently a total surprise - which it is meant to be - Wuerfel then graciously accepted the award.

Also, this year MLTA honored our outgoing President Douglas McFarlane with the Mary C. Feindt Award which is given for dedicated service to the Michigan Land Title Association. This award was named in honor of Mary C. Feindt who was a long time member and fantastic contributor to MLTA. It is an award not meant to be given annually but only when outstanding service needs to be recognized. McFarlane's long service to the title industry was memorialized by Douglas G. Smith, who won the award in 2006.

At the closing meeting, the new MLTA logo that was voted on was unveiled (see PR article on page 16) and a MLTA favorite speaker Tim Skubik didn't disappoint. Always insightful and humorous, Skubik challenged the crowd to name the 7 candidates for governor (at the time of the convention). Skubik also happens to celebrate his wedding anniversary during our summer convention. He has hosted "Off the Record" since 1972 and would like listeners to give him just half an hour a week to keep up on events in Lansing www.wkar.org/offthercord/

The Silent Auction raised approximately \$4,022.00 for our PAC. Items donated ranged from U of M games to a Tiger baseball package to Dearborn Golf with wine baskets and Red Wings packages in between. Golf Scramble's winning teams include: Men's Lowest Score: Wes Parkinson, Brent Warner, Bob Meredith, & John Monacelli; Mixed Team: Lou and Connie Curio, Jim LeBar, & Nicholas Dupre; Most Honest Team: Jeanne Kivi, Terri Voss, Mike Woods, & Ben Burley. It truly was a wonderful convention!

at Bay Harbor Village

Photos courtesy of Tom Fiegl,
Kaspernet





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The Michigan Land Title Association Board of Directors and the Sponsorship Committee would like to personally thank all of our sponsors and exhibitors for their participation in the 2010 Summer Convention.

We are appreciative of these firms's interest in our association and we are very grateful for their support. The MLTA 2010 Summer Convention at Bay Harbor was a great success and the support of the companies listed to the right played a key role in that success.

Our Sponsors and exhibitors bring a variety of services to our industry and would love the opportunity to work with you. They have dedicated both their time and their financial support to the MLTA. We encourage you to utilize their services whenever possible.

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Be Careful of What You Ask For

by Howard Lax, LIPSON, NEILSON, COLE, SELTZER & GARIN, P.C.

A war is still raging over whether affiliated business arrangements are a device of the devil or not. Independent title agents, who, like cattle herders, gather their customers from the four corners of the earth, detest captive developer title agents who, like sheep herders, see their flock devour every customer in a development.

The Department of Housing and Urban Development (HUD) entered the war on the side of the independent title agents when it outlawed builder incentives tied to the use of affiliated or favored title agents and mortgage brokers. Builders fought back in court, forcing HUD to reverse its definition of "required use" of a settlement service provider. I commented previously on HUD's 1998 definition of "required use" (now withdrawn), pointing out some of the loopholes in the definition and opining that HUD was better off with its 1992 definition of "required use."

However, setbacks rarely mean defeat. HUD published an Advance Notice of Proposed Rulemaking (ANPR) to gather evidence that changing the definition of required use is justified as a way to reduce consumer costs. In a somewhat rhetorical fashion, HUD asks whether builder incentives given to buyers are actually baked into the price of the home and are not true incentives for the use of an affiliated or favored business. HUD also asks, somewhat theoretically, whether forward commitments purchased by builders are proper under RESPA.

HUD's ANPR mentions "builder" 23 times while no other incentive monger is mentioned even once. This does not mean that a definition of required use promulgated by HUD will not have any impact on other affiliated businesses. If a builder is prohibited from giving the borrower a pool or paying for the closing to induce the borrower to use the affiliate's services, why should a bank be allowed to give its affiliated mortgage company a warehouse line of credit? After all, there is no difference, in theory, between the bank providing the money to close the loan at its affiliate and the builder paying for the closing at its affiliate. The borrower is getting

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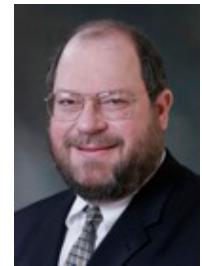
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something of value either way that is baked into the cost of the transaction.

There are, of course, other companies that provide incentives to use an affiliated title agency. Title agents that provide group unemployment insurance to borrowers are buying the policy from an affiliated insurance agency. Mortgage companies that give the consumer a TV at closing are buying the TVs from an affiliated or preferred appliance store. It is rumored that Amway previously provided its goods to consumers who obtained a loan from an affiliated mortgage company, with HUD's blessing.

When we consider that HUD might restrict forward commitments, the potential impact of the rule that follows the ANPR becomes even greater. Forward commitments are integral to secondary market transactions. If HUD intends to restrict forward commitments, it can only do this effectively by eliminating the secondary market exception and requiring disclosure of all lender income on the Good Faith Estimate and HUD-1 Settlement Statement. The impact of disclosing secondary market income as a tolerance restricted origination fee will be enormous. Every loan will be hedged to lock in income levels to avoid a RESPA violation. And, if you thought that the new HUD-1 made Truth in Lending Act compliance difficult, wait until you throw loan sale income into the GFE block 1/HUD line 801 melting pot.

Will HUD have the foresight to draft a rule that avoids the foibles of unintended consequences? It seems a Herculean task to draft a rule that addresses "builders" without impacting other portions of the industry. A rule that is expressly targeted at builder joint ventures is subject to attack as arbitrary and unauthorized by RESPA. A rule that is too broad could increase costs across the board for consumers. Is there a happy medium, or should we expect another round of pandemonium?



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MLTA - Public Relations Committee Update

New Association Logo chosen at Summer Convention

From the initial conversations back in February to explore an updated MLTA Association logo, the final three logos (in Summer Title Examiner) were presented to the MLTA members at the convention to vote on. Voting concluded Monday evening, July 19th, at the Presidential Dinner and were counted by our Executive Director, Marcy Lay. Tuesday's meeting kicked off with the new logo unveiled on the screen to the applause of membership. The voting also asked for comments and input to the three choices. In the end, the additional requests/comments to add the "Est.. 1901", along with the "Integrity, Responsibility, Service" have been added to the new look logo which appears below as well as on the Front of the "Title Examiner Newsletter". Thank you for your voice and vote.

To proudly show your MLTA membership and launch our new logo, we have included a vinyl window/door cling for your office that is also in this section. Every brick and mortar locale should have one of these displayed, so please connect with Marcy Lay at ED@MLTA.org should you have a need for more.



Residential Sales Statistics

June 2010

Local Association	2010 June Sales	2009 June Sales	10-09% Change	2010 June Ave Price	2009 June Ave Price	10-09% Change	2010 YTD June # Sales	2009 YTD June # Sales	10-09 YTD % Change	2010 YTD June Ave Price	2009 YTD June Ave Price	10-09 YTD % Change
Ann Arbor Area Board of REALTORS*	388	346	12.14%	\$205,994	\$206,738	-0.36%	1,593	1,335	19.33%	\$181,427	\$180,881	0.30%
Antrim Charlevoix Kalkaska Association of REALTORS*	49	42	16.67%	\$191,059	\$165,500	15.44%	262	250	4.80%	\$173,966	\$116,225	49.68%
Battle Creek Area Association of REALTORS*	153	122	25.41%	\$91,599	\$72,087	27.07%	675	624	8.17%	\$85,382	\$76,601	11.46%
Bay County REALTOR® Association	125	141	-11.35%	\$66,973	\$64,547	3.76%	688	690	-0.29%	\$66,390	\$57,228	16.01%
Branch County Association of REALTORS*	35	44	-20.45%	\$99,539	\$79,130	25.79%	188	206	-8.74%	\$74,978	\$76,421	-1.89%
Central Michigan Association of REALTORS*	101	96	5.21%	\$92,071	\$97,062	-5.14%	451	461	-2.17%	\$79,423	\$76,400	3.96%
Clare-Gladwin Board of REALTORS*	67	50	34.00%	\$72,765	\$52,653	38.20%	320	263	21.67%	\$64,876	\$57,500	12.83%
Dearborn Board of REALTORS*	297	256	16.02%	\$71,529	\$65,487	9.23%	1,456	1,266	15.01%	\$65,613	\$69,363	-5.41%
Detroit Board of REALTORS*	679	1,171	-42.02%	\$16,807	\$10,735	56.57%	3,970	6,460	-38.54%	\$15,507	\$11,268	37.62%
Down River Association of REALTORS*	127	206	-38.35%	\$91,557	\$67,042	36.57%	684	1,187	-42.38%	\$77,224	\$62,989	22.60%
Eastern Thumb Association of REALTORS*	142	157	-9.55%	\$99,838	\$77,887	28.18%	796	794	0.25%	\$84,984	\$77,357	9.86%
Eastern U.P. Board of REALTORS*	42	44	-4.55%	\$81,974	\$98,807	-17.04%	143	147	-2.72%	\$85,079	\$81,085	4.93%
Emmet Association of REALTORS*	45	44	2.27%	\$223,249	\$198,173	12.65%	255	195	30.77%	\$193,641	\$170,238	13.75%
Flint Area Association of REALTORS*	619	633	-2.21%	\$80,620	\$73,621	9.51%	3,301	3,380	-2.34%	\$74,801	\$68,319	9.49%
Grand Rapids Association of REALTORS*	787	1,081	-27.20%	\$117,061	\$113,923	2.75%	5,886	5,565	5.77%	\$115,492	\$102,438	12.74%
Greater Kalamazoo Association of REALTORS*	405	324	25.00%	\$139,457	\$134,086	4.01%	1,778	1,433	24.08%	\$128,170	\$122,848	4.33%
Greater Lansing Association of REALTORS*	553	544	1.65%	\$113,312	\$100,730	12.49%	2,859	2,462	16.13%	\$103,084	\$88,862	16.00%
Hillsdale County Board of REALTORS*	50	44	13.64%	\$83,988	\$57,539	45.97%	192	215	-10.70%	\$77,595	\$56,048	38.44%
Jackson Area Association of REALTORS*	194	225	-13.78%	\$79,937	\$75,882	5.34%	983	985	-0.20%	\$77,842	\$67,219	15.80%
Lapeer & Upper Thumb Association of REALTORS*	131	139	-5.76%	\$103,202	\$90,495	14.04%	721	686	5.10%	\$89,816	\$82,934	8.30%
Lenawee County Association of REALTORS*	139	150	-7.33%	\$89,931	\$75,706	18.79%	610	705	-13.48%	\$80,402	\$78,163	2.86%
Livingston County Association of REALTORS*	264	244	8.20%	\$152,580	\$149,000	2.40%	1,310	1,087	20.52%	\$146,399	\$147,693	-0.88%
Oakland	794	711	11.67%	\$153,909	\$123,553	24.57%	3,874	3,332	16.27%	\$137,486	\$113,050	21.62%
Macomb	2,697	2,904	-7.13%	\$96,904	\$80,179	20.86%	8,334	8,387	-0.63%	\$102,003	\$79,216	28.77%
Mason-Oceana-Manistee Board of REALTORS*	79	71	11.27%	\$97,990	\$82,928	18.16%	386	341	13.20%	\$95,256	\$91,695	3.88%
Midland Board of REALTORS*	126	96	31.25%	\$164,885	\$136,520	20.78%	496	348	42.53%	\$139,419	\$125,607	11.00%
Monroe County Association of REALTORS*	126	127	-0.79%	\$123,714	\$114,693	7.87%	596	507	17.55%	\$112,678	\$103,935	8.41%
North Oakland County Board of REALTORS*	498	388	28.35%	\$148,205	\$127,717	16.04%	2,414	2,045	18.04%	\$132,950	\$110,890	19.89%
Northeastern Michigan Board of REALTORS*	57	63	-9.52%	\$84,668	\$80,898	4.66%	257	209	22.97%	\$74,171	\$68,353	8.51%
Paul Bunyan Board of REALTORS*	124	121	2.48%	\$99,764	\$81,136	22.96%	581	573	1.40%	\$81,084	\$69,883	16.03%
Saginaw Board of REALTORS*	193	189	2.12%	\$84,917	\$76,945	10.36%	936	938	-0.21%	\$76,974	\$68,138	12.97%
Shiawassee Regional Board of REALTORS*	76	56	35.71%	\$73,655	\$77,973	-5.54%	413	317	30.28%	\$67,307	\$67,071	0.35%
Southwestern Michigan Association of REALTORS*	225	251	-10.36%	\$165,181	\$167,156	-1.18%	1,140	1,056	7.95%	\$141,757	\$136,483	3.86%
St. Joseph County Association of REALTORS*	67	63	6.35%	\$99,928	\$76,758	30.19%	346	318	8.81%	\$87,337	\$76,897	13.58%
Traverse Area Association of REALTORS*	209	182	14.84%	\$200,223	\$189,091	5.89%	988	807	22.43%	\$169,741	\$161,212	5.29%
Upper Peninsula Association of REALTORS* *	199	167	19.16%	\$105,834	\$103,359	2.40%	912	707	29.00%	\$94,472	\$91,323	3.45%
Water Wonderland Board of REALTORS*	146	133	9.77%	\$102,194	\$92,841	10.07%	702	541	29.76%	\$89,232	\$84,518	5.58%
West Central Association of REALTORS*	88	104	-15.38%	\$85,595	\$86,019	-0.49%	428	482	-11.20%	\$76,595	\$69,785	9.76%
West Michigan Lakeshore Association of REALTORS*	411	347	18.44%	\$136,439	\$120,365	13.35%	2,068	1,700	21.65%	\$125,883	\$105,424	19.41%
Western Wayne Oakland County Association of REALTORS*	1,200	1,081	11.01%	\$145,853	\$122,453	19.11%	5,803	5,010	15.83%	\$133,785	\$117,938	13.44%
TOTALS	12,707	13,157	-3.42%	\$113,373	\$101,685	11.49%	59,795	58,014	3.07%	\$102,006	\$91,737	11.19%

*Escanaba, Iron Mountain, Keweenaw, Western Upper Peninsula, and North Central Upper Peninsula

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So Many Rules.....So Little Time

by Chuck Cain,
Alliance Solutions

On June 18th HUD issued an Interpretive Rule concerning the long-standing question as to its explicit position on the payment of commissions or marketing fees by home warranty companies (HWC) to real estate brokers and agents. Much has already been written as to interpretation of the Interpretive Rule, but it would seem that among the take aways would be the following:

- Referrals to settlement service providers (of which HWCs are defined to be one) by real estate agents and brokers are not prohibited, but compensation for such referrals, is. The marketing of HWCs to consumers is, to the Department, a referral and therefore not legally compensable.
- Services which are actual, necessary and distinct from the primary services provided by real estate brokers and agents, and which are not nominal in nature and do not result in a duplicative charge, are legally compensable where the fee paid bears a reasonable relationship to the services provided. Payment for such services on a transactional basis may be permissible if they meet this standard and would be considered by the Department case-by-case.
- The simple taking of an application has no value and is not legally compensable.
- Among the criteria which HUD would apply when reviewing such a commission/marketing agreement would be whether the services and fees meet the tests stated above, would the agent or broker be the legal agent of the HWC, and would the fee be disclosed to the consumer with the consumer having the option to shop elsewhere for an HWC. Further HUD would examine whether the arrangement was exclusive with one HWC and if compensation levels were adjusted based on amount of business referred.

But many questions remain unanswered:

- Is this how HUD would interpret all marketing agreements? HUD and many state regulators have been suspicious of such agreements for some time. Is this a standard beyond Homeowners' Warranties (HOWs)?
- In the last 18 months there has been a steady march through administrative and court actions that, perhaps, anything that is paid off a HUD-1 is a settlement service and subject to RESPA. Often HOWs are purchased at time of listing by the seller with the warranty succeeding to the buyer upon sale with little or no cost to the buyer. The house, in the present market, may not be sold during the pending listing if at all. Is the HOW still a settlement service when there has been and will be no settlement?
- Would the services of a tradesman in doing repairs mandated by a loan program be considered a settlement service? And if that tradesman has a relationship with the concierge or homeowners' service of a real estate broker would that relationship now be subject to the terms of this Rule?

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A Reconciliation-a-Day Keeps Your Business In Play.

by Ethan Powsner,
Ohio State Manager
Fidelity National Title Group

You can't help but notice that our current recession has caused a substantial number of title agencies to be closed, merged, or otherwise cease operations. While a large number of the closings would not have occurred if the housing market had not tanked, a surprising number of these agencies would have been able to ride out the market had they reconciled their escrow accounts in a timely fashion. These timely reconciliations would have uncovered preventable and recoverable losses.

Two recent agency closings illustrate the point. In one, the agent's employee was diligently performing two-way reconciliations -- she was making sure that every deposit and check was accounted for, but was not monitoring the trial balances/file ledger balances -- and was not noticing that more money was going out than coming in. In the other, the owner received personal training in how to do three way reconciliations, but after laying off some escrow staff, she stopped reconciling due to time constraints. Both of the agency owners felt comfortable because they were certain that their method/system ensured that each file balanced before being disbursed and that all money was verified as being received before wiring out.

While the particulars of each agency's accounting problems won't be discussed here in detail, a typical example of their problems is set forth below. The common thread for these businesses was that neither agency was doomed to failure until that point when they each failed to sufficiently reconcile their escrow accounts.

A frequent mistake common to both was as follows: a real estate broker was holding the earnest deposit, and the commission to-be-paid at closing neglected to offset the already-held earnest deposit. Both agents set up their settlement statements using the assumption that the broker would be bringing the earnest money deposit to the closing. When the broker didn't bring in the deposit, the agents failed to notice that fact and distributed the full commission check. This meant that the file was now short funded; but neither title agent owner figured that out at the time of the closing. In the case of the two-way reconciler, the too-large commission check cleared in the normal course and all seemed well because the check cleared for the amount it was written. Likewise, in the case of the non-reconciler, no problem was noted because if or when the bank statement was reviewed, the check was cleared in the amount written. There were also files where commercial and governmental purchasers didn't wire in the amounts they were to bring to the closing.

By the time the errors were discovered, over \$400,000 was missing from each agent's escrow account and most of the money was not recoverable because the lenders, brokers, or sellers were no longer reachable. In each of these situations, no one was stealing money, but both agencies went out of business and all of the employees lost their jobs.

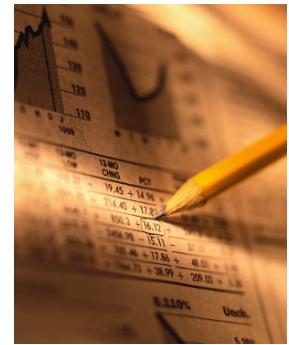
Had either agency been performing 3-way reconciliations on at least a monthly basis, these errors would have been uncovered with a high likelihood of recovery -- since all wrongfully enriched parties were still in business. In both cases, a review of the 'trial balance' report or the 'file ledger balance' report would have shown that the earnest money being held by the real estate broker or the buyer's funds never cleared the bank as a deposit into the escrow account.

It is strongly recommended that agencies reconcile more frequently than once a month. If not daily, at least weekly reconciliations should be performed. Some reasons include: 1) escrow accounts tend to carry much less float these days because business volumes are down -- a missed incoming wire or accidentally duplicated outgoing wire can cause a negative balance in the escrow account; 2) buyers, sellers, and lenders are often in a weak financial condition and may have already spent the money; 3) if you reconcile monthly, by the time you notice a mistake or a fraudulent wire, the bank's 30 day 'grace period' may have expired.

For those who are resistant to the idea of reconciling on a daily or weekly basis, consider at least running your escrow accounting module's report of file balances -- 'trial balance report' or equivalent -- on a weekly basis so that you can at least monitor file balances to see if any files are short of funds. Remember -- an ounce of prevention is worth a pound of cure.

Note: there are a number of third-party reconciliation services available. There also is software available that allows you to monitor your escrow account and file balances on a continuous (hourly and/or several times a day) basis. Contact your underwriter for more contact information.

*Ethan Powsner is the Ohio Agency Manager for the Fidelity National Financial Group.
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MIND CAPTURE MARKETING:

Face-to-Face Selling Is Alive and Well

by Tony Rubleski - President, Mind Capture Group



I can't help but shake my head and chuckle at people who keep canceling meetings and conventions or skip their industry trade shows based on fear and cutbacks in budgets. Not only is this the wrong thing to do when members are counting on getting value for their association dues, but while others stay at home with their list or reasons (excuses) for not attending, I'm hopping planes to meet with people in the flesh.

I'll be very direct with you now about what you should strongly consider if your employer cuts back on travel and expenses. If your company won't pay for you to go to a key meeting or convention, dig in your own pocket and pay for it yourself. If it's that important, quit whining and invest in yourself, your customers, and pick up new contacts and business. In both of my prior careers I always invested a healthy sum from my commission checks in books, seminars and travel that my employer would not cover. Hmm? If I invest in myself, it seems that everybody wins. My customers, business, family, and community all gain and benefit from this action.

Here are five Mind Capture tips to getting valuable face-to-face time with other people:

1. Promise speed
2. Use block scheduling
3. Employ a guarantee or gift with appointment
4. Get on the plane
5. Join and participate in key trade and association groups

Let's take a quick look at the five tips and the logic behind each one.

#1. Promise speed. Everyone's busy these days and the quickest way to lose someone is to imply that what you have to offer or discuss will take up a lot of their time. I often get super busy people to pay attention because I tell them upfront that we're both busy, and I only need a few minutes. If I sense that we're connecting, I ask permission for more time and often get it. It works like a charm and it disarms their fear that I'll waste a lot of their time. I know I'm appreciative as well, when people respect my time and get to the point sooner rather than later.

If you get stuck in proverbial "voicemail hell" when trying to connect with a busy person, have no fear, as there are many ways to solve this problem. In the first Mind Capture book I reveal several proven ways to leave a powerful message and use targeted and unique direct mailings to get busy decision makers to take notice and accept your call or get back to you when you leave an engaging voicemail message.

#2. Use block scheduling. I learned this valuable tip from my central mentor, Dan Kennedy, and it flat out works. When I travel I do my best to fully leverage and maximize the trip. I call key prospects and groups in the area where I'll be working to let them know the specific date(s) I'll be town and open times available to schedule other meetings. This gives me a great reason to give them an invite to either see me speak or get together before or after another scheduled meeting. This gives us both leverage as I come to them and they know it's a legitimate chance to meet face-to-face versus most people who only do a phone call or email.

I also use and recommend this strategy because it gives you a legitimate reason to connect with someone on their home turf when you'll already be in town anyway. People still often like to meet someone in person to get a feel for them before they consider doing business. I can tell you that over the last few years alone, this tip has generated countless dollars in new business with prospective clients and groups that have hired me direct or booked me to speak after an in-person meeting or attending one of my live speaking programs.

#3. Employ a guarantee or gift with appointment. This goes back to tip number one in regard to the fact that people are very skeptical in general and do not want their time wasted. I believe that getting face time in the digital age will remain the biggest challenge for everyone in marketing. With this in mind a great way to get someone off the fence and into motion is by offering something of value for a chance to meet by boldly backing up your request with a guarantee to set them at ease. I'm not advocating bribery here, but simply a creative way to get a meeting scheduled when other strategies to meet have met resistance or delay. You could offer up a special report, book, or a small donation to their favorite charity to peak their curiosity and to imply how serious you are about your idea. One of my favorite strategies is to offer up a free copy of my latest book and recent audio interviews on CD just for meeting with me. They benefit from the timely and relevant information whether we decide to work together or not. I enjoy being able to reward and thank them for taking the time to consider what I'm proposing.

#4. Get on the plane. You have to go to where the action is, and often to where the prospect or client calls home. Now, I'm all about saving time, and again, balance is required with this tip. I'm not paid by the airlines to put this in the book, but here's the point: If it's a big enough opportunity to gain face time and knock out other meetings via block scheduling, book your trip and fly in to meet people. Let the media scare away your competition from spending money on business travel. While they're at home often making futile attempts to reach decision makers, you'll be meeting and shaking hands with top prospects and cementing long-standing relationships. For example, every year I attend a major trade group's convention in January. It's not so much to attend the show, but to set up important breakfast and lunch meetings with key decision makers that I know are all in town for the week. I can get more done in two days with face-to-face meetings than I could in a year of detailed and time draining follow up. Press the flesh to impress and get valuable face time!

#5. Join and participate in key trade and association groups. Yes, a simple strategy. But here's a quick and important tip that a lot of people overlook: Join one or two key associations where your top customers and referral partners congregate. Instead of only spending time in your own industry groups, go to where the best prospects are located and get busy. I'm baffled as to why more people don't budget dues and allocate sponsor dollars to allow for focused networking time in their marketing plans so they can be noticed and connect with the best prospects for their business.

I recently interviewed networking guru, Dr. Ivan Misner, founder of the massively successful referral organization BNI (Business Network International). In our interview he mentioned that the top performers in many BNI chapters devote six to eight hours per week to focused and strategic networking. Everything from attending their weekly chapter meeting, to chamber events and meeting with key clients and referral partners each week over coffee, breakfast or lunch to exchange ideas, contacts and helpful information. Yes, it's a serious commitment, but these people often get incredible results toward achieving their goals.



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MLTA - PAC Sponsorship

Each year the MLTA-PAC recognizes members who have made contributions during the prior year that exceed designated giving levels. There are five different award levels and they are:

LIFE	\$1000+
PRESIDENT	\$500--\$999
GOLD	\$350--\$499
SILVER	\$250--\$349
BRONZE	\$150--\$249

The following members were recognized at the Summer Convention, but, you can never say "Thank You!" enough. We would like to thank the following members and recognize them for their support of the MLTA-PAC in 2009! Awards were presented to these members at the 2010 Summer Convention. If you were not present at the convention, your award will be forwarded to you by the MLTA office.

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