

# THE TITLE EXAMINER

A QUARTERLY PUBLICATION OF THE MICHIGAN LAND TITLE ASSOCIATION



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- Certification & On-Going Monitoring
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The Michigan Land Title Association is a professional association dedicated to creating an environment which enables its members to provide the public with the highest quality land title evidencing, title assurance and settlement services.

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# Message from the Editor

Dear MLTA Members,

The MLTA Board of Directors is looking to move to a more inter-active newsletter venue in the upcoming months. In an era of tweets and instant news feeds... looking to evolve our communication to membership makes a lot of sense. Thus, this may be the last or one of the last editions of the "Title Examiner" in the current format.

Since 2007, I've headed up this newsletter as Editor and for 10 years have worked on getting nearly 40 issues published, which is nearly 800 pages of columns, stories and content. Laura Veldhof and many of the committee members and contributors have been awesome and great to work with as well.

In these ten years, my title agency role has grown and still is growing and I already have a strain on my time. Laura has seen her graphics work become secondary to her photography work that she is amazing at. We both are now at a point where the MLTA newsletter has consumed a lot of our time that we need to dedicate elsewhere.....so as the newsletter changes formatting soon, we too will be stepping out of our roles we've been doing for nearly a decade.

As the Association looks to move into a new communication format soon, it just firmed up the need to let go and give some other people the opportunity to run with this for another decade. Thank you for the opportunity to lead this newsletter for the time that we did. I know it will evolve and be even better than what it is now.

Take care, *Bob Wuerfel*



## TRID collaboration and e-recording made simple.





## Laurie Brecken

Michigan Agency Account Manager  
First American Title  
Based out of Grand Rapids but cover Michigan and including the UP



**MLTA Involvement:** Regularly attend the seminars, summer convention and a member of the Young Title Professionals Committee

**Personal Interests/Hobbies:** Running, Biking, Boating, Cooking, Wine Tasting....

**Something about Laurie:** I'm known for my sarcastic sense of humor and quoting Seinfeld for almost any daily situation. I also love music - there is nothing better than a great playlist to enjoy on a run, road trip, or just everyday life.

## Michael Cole

President  
Title Resource Agency  
Corporate HQ- Kent County/Rockford



**MLTA Involvement:** I have not yet become part of the committees, I have attended the spring and fall seminars.

**Personal Interests/Hobbies:** I have a passion for comedy and perform whenever I possibly can, I also love to camp with my family and I'm an avid reader.

**Something about Michael:** I was originally signed up at Ferris State University in their automotive program, in my senior year in high-school my auto shop project was to totally rebuild the engine in my 1979 Buick Regal, I put \$1,800 dollars into that engine and it ran worse when I was done with it than it did before I started.

My dad gave me the \$1,800 on one condition, that I change my major, he said "Son, there is a thing called mechanical inclination; those who have it make a good living working on cars those who don't... you don't". I changed my major to business the next week.

## Bryan Melvin, III

Senior Counsel-Commercial Title Division  
eTitle Agency, Inc.  
City of Troy, Oakland County, Michigan.



**MLTA Involvement:** I have frequently attended and participated in MLTA seminars, summer conferences and have conducted title/real estate presentations over the years.

**Personal Interests/Hobbies:** Active squash and rackets player; avid Tiger's, Red Wings and Spartan fan; travel; spending time with my wife Rachel and two sons, Bryan (26) and Dillon (23).

**Something about Bryan:** I am the current President of the Michigan State University College of Law Alumni Association. Recent Past Dean of the Delta Theta Phi Law Fraternity.



## MLTA Board members

John Bommarito, Cindy Immonen,  
Darlene Wilsey, Debbie Wiley and Tom Lico  
attended an event hosted by Michigan Legislative Consultants (MLC) at the State Capital during Governor Snyder's State of the State address on January 19, 2016.



# ABSTRACTIONS

by Allan Dick, WFG National Title Insurance Company

March Sadness – well, at least for Spartan fans that saw their NCAA hopes dashed rather quickly (both men and women). Ditto for the Wolverines. Not so sad for those who attended the MLTA Legal Description Basics Boot Camp March 18 at the Kellogg Center. By all accounts the seminar/workshop was well received, continuing the MLTA's successful series of "boot camps" in recent years.



You've no doubt read and/or heard of the major investment Dan Gilbert (Quicken Loans) and his Bedrock Real Estate Services have made in the resurrection and revitalization of Downtown Detroit, including the current development of the M-1 Rail mass transit project up the Woodward corridor, to connect the downtown and the Detroit River water front with the city's theater and stadium districts, the Wayne State and Medical Center districts and the New Center district. The new "street car" line, the first for Detroit in 60 years, will be called the QLine (Q, as in Quicken).

With the economy remaining solid, if not dynamic, and interest rates remaining historically low, the spring real estate market might be taking off even more, were it not for the lack of inventory, reported to be barely more than a 4 month supply (nationally speaking), compared to a 6 month supply, which is considered "balanced". It is definitely a seller's market with a decided lack of "starter homes".

Much has been said and written of late, regarding the effect and cost of TRID. In a recent HousingWire article, Jonathan Corr, CEO of Ellie Mae (a software company that process almost 1/4 of all US mortgage applications), is quoted as saying that nearly 6 months after the implementation of TRID, things have largely normalized. "In terms of Know Before You Owe, I think we are in the second half of the game. We've gotten past the initial learning curve that comes with new regulation" and figured it out. He reports that the amount of time it takes to close has been lowered to hear pre-TRID standards.

According to a study by the Stratmor Group, a mortgage consulting firm, since October, 2015, TRID has increased back-office and post-closing costs by \$209 on average, only 17% of which can be passed along as additional charges. On the other hand, the Mortgage Bankers Association reports that production and personnel expenses surged approximately 9.5% from the 3rd quarter to 4th quarter of 2015, due to TRID, reducing the average profit per loan from \$1,283 to \$493 for independent mortgage bankers and mortgage bank subsidiaries. Borrower/customer satisfaction, however, seems to have improved.

**BITS AND PIECES:** Black Knight reports mortgage delinquencies to be at the lowest rate since April, 2007 ... Starter homes (in short supply, mentioned above), naturally vary from one market to the next. The most expensive market for starter homes is (no surprise) San Francisco, averaging \$714,000!



Over 2 dozen MLTA Members participated in Legislative Day, held on Tuesday, April 12, 2016 in Lansing. This was another successful day for our Association at the Capitol.





by Rob Ford,  
Riverside Title

When it was invented and then became a mainstream home utility, the telephone was hailed as something that would replace the written word as a form of communication.

A hundred or so years later, using the telephone to actually talk on has once again become the exception. Face it, we put up with it for as long as we could, but eventually we all realized that we didn't really want to talk to anybody. In fact, we really didn't even want to hear the sound of anybody else's voice.

Text or email me, but don't bother to call me unless it is really an emergency.

Along the same line, when we first acquired an email account only the most important of transmissions made their way to it, and only from those that we specifically endowed with the sanctity of our email address.

Again, thanks again to a modern society that would rather convey its thoughts via the written word; what once was a bastion of privileged information has become just another electronic wastepaper basket. The vast majority of what enters it is either dangerous to click on or not even worth the wrist action it takes to move a mouse. Worse, we have no say so in its content, no matter what filters we apply.

Lucky for me though, I clicked on an attachment that boasted some recommended reading material. Ironically, it was from just one of a thousand uninvited guests that send me stuff, but this one I think we all can benefit from.

The email pitched several new books and among them were two titles that caught my eye: *How to start a Title Company: A Step by Step Guide* by Lisa Williams and *Real Estate Title Search Abstracting* by Hennin.

I haven't read either book but I will tell you this; one costs \$4.99 and the other costs \$44.99. Can you guess which is which? In case you didn't receive this email, let me tell you that you can learn how to start a title company for less than five bucks and you can learn how to search title for about forty five bucks. That is if you can momentarily suspend your disbelief in order to convince yourself that either of these tasks can be learned out of a book.

As a teaser, the *How to start a Title Company: A Step by Step Guide* says "A title insurance business can be extremely lucrative, with a dedicated and well-informed owner...the income potential is virtually limitless...Read this book, learn about an exciting and lucrative opportunity, and change your life."

Who knew? Better yet, who knew it was only \$4.99?

As you might imagine, *Real Estate Title Search Abstracting* is described with a much duller Sharpie. It does refer to its subject as "the art of abstracting" but from there the description becomes as mundane as... well, as mundane as title searching usually is. With apologies to those among us that get their freaks on running title, only purchase this book if you need an "assist in gaining the fundamental skills that you need to begin on the path to abstracting success".

I would advise you to save the \$44.99 and spend some time on the business end of a grantee/grantor index, Laredo site or wherever else your county records can be accessed. You'll find out in short order if this whole title business thing is your passion in very short order.

I don't want to come across as the crotchety curmudgeon with this story so I encourage you to be a little skeptical as you navigate your inboxes. I encourage reading and learning as much as you can about our industry and before you plunk down cash to buy books via the internet, attend an MLTA seminar or two.

And while you're at it, use your phone to make an actual telephone call every now and then, too.



## MLTA-PAC Lip Sync Battle!

by Timothy J. McDonnell, Old Republic Title

This year's Summer MLTA-PAC fundraiser should be a great time for participants and viewers alike. We will be hosting a "Lip Synch Battle"! Presently, we have 4 acts lined up and are looking for one more. The fundraiser will be similar to years past where members donating to the MLTA-PAC will vote with their dollars for the act that they like the best. The act that raises the most money prior to the competition will receive a bye into the championship round. There will be a preliminary elimination round to determine the other finalist! All acts will participate in the fun!

Unfortunately, LL Cool J was not available to host so our own Tom Lico will be handling the emcee duties. There will be a panel of judges along with audience participation to determine the winner. The winner of round one will face off with the top fundraiser in the finals to determine the ultimate Lip Sync Champion! We will have awards for the winner as well as prizes for other categories to be determined. After the competition, audience members will have the opportunity to take the stage. We are looking forward to a great time.

Lip Synch Battle contributions in the amounts of \$100 or more will qualify for the 2016 MLTA Members Who Care Annual Giving Program!

The current acts are from Corporate Settlement Solutions, Fidelity National Title, First American Title and Lighthouse Title.

**WE NEED ONE MORE ACT TO ROUND OUT THE COMPETITION!**

If you would like to put a group act together or perform on your own, please contact Tim McDonnell at [timcdonnell@oldrepublictitle.com](mailto:timcdonnell@oldrepublictitle.com)

THANK YOU FOR SUPPORTING THE MLTA-PAC!

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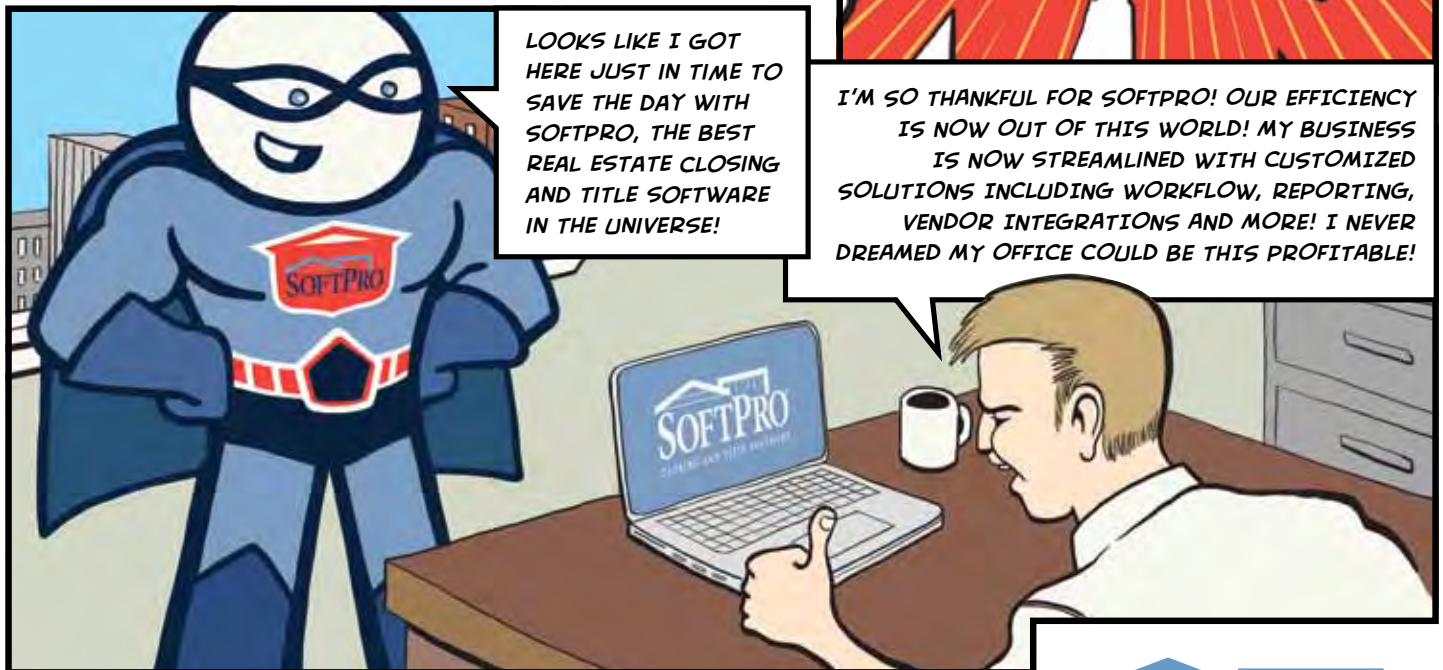
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# Legislative Update

by Cami Pendell,  
Michigan Legislative  
Consultants

## Three House Vacancies Filled, One Remains

Not only did the Presidential Primary take place on March 8th, but that was also the date of the special election to fill three vacant House seats. These vacancies included: 1. the 75th



House District because then-Representative Brandon Dillon stepped down to become the chair of the Michigan Democratic Party; 2. the 80th District due to the expulsion of Cindy Gamrat, and; 3. the 82nd District due to the resignation of then-Representative Todd Courser.

Winning the election for the 75th House District was Democratic candidate David LaGrand (Dillon). Representative LaGrand resides in Grand Rapids with his wife and four children. He is a private practice attorney, concentrating on family and criminal law.



In the 80th House District, Mary Whiteford won the special general election. Representative Whiteford owns and operates a financial planning firm with her husband, Kevin. Prior to that, she was a pediatric emergency nurse.



Republican Gary Howell won the open 82nd House District. Representative Howell resides in North Branch with his wife. He's in a farm partnership with his son, John and served as the Township, City, and Village attorney from 1974-2014.

The House still has one vacancy in its Chamber because Rep. Derek Miller resigned from his 28th House District seat to be the Macomb County Treasurer. A special primary election will be held on August 2nd, followed by a special general election on Nov. 8th. The winner will serve until the remainder of the 2015-16 term. Assuming the same person wins the regular primary and general election, he or she will then continue into the next legislative cycle as well.

## MLTA Priority Legislation on the Move

MLTA has been hard at work to advance the Flat Recording Fee package (SBs 599-604, SB 737, HBs 5164-65) and amendments to the Condominium Act (SB 610).

The Flat Recording Fee package, whose lead sponsor is Sen. MacGregor, has passed the Senate and is currently in the House Local Government Committee. It has received one committee hearing in the House and, at the time of this writing, we are closing in on the second hearing where the bills are likely to get reported out. The heart of the package is SB 599 which, in its current form, sets a flat recording fee of \$30.00 regardless of the number of pages in a document. That will greatly assist the industry in complying with the CFBP regulations to provide exact closing costs. SB 599 also requires a fee of \$5.00 to be paid to certify a recorded document, in place of the current \$1.00 charge. The trailer bills amend statutes for other various documents that get recorded to have the fees reflect those set in SB 599 – the \$30.00 flat fee amount.

Senate Bill 610 (O'Brien), which amends the Condominium Act, has also passed the Senate and is in the House Local Government Committee. This legislation addresses the challenges associated with 'need not be built's'. The nutshell intent of the proposal is to change the process from

an automatic reversion to general common elements to one that can be elected. This legislation is also co-sponsored by Sen. Arlan Meekhof, who is the Senate Majority Leader.

The timing of the Senate passage of these priority items coincides nicely with MLTA's Legislative Day on April 12th. When visiting with House members on that day, MLTA members can share with them the importance of this legislation and request their support when it comes to a full vote in the House. Additionally, MLTA can thank Senators for all of their hard work on these industry priorities.

## Bills Introduced to Create Legislative Open Records Act

As a direct result of the Flint water crisis, a bipartisan coalition of House members introduced a package of legislation creating the Legislative Open Records Act. The legislation would subject the offices of the governor, lieutenant governor, and the legislature to the Freedom of Information Act (FOIA). The package was introduced to coincide with Sunshine Week, which promotes public access to government information. The expansion would mirror FOIA and allow citizen's access to records that had previously been un-accessible. However, like the Governor has with communications related to the Flint water crisis, legislators are always free to publicly release information. These bills represent a cultural change for Michigan's legislative and executive branches.

The package provides for several exemptions including communication with constituents, personnel records and records related to ongoing internal or legislative investigations or litigation. The bill package has been referred to the House Oversight and Ethics Committee, chaired by Representative Ed McBroom (R-Vulcan) who is also a main bill sponsor in the package.



## Session Schedule: Spring Break

The House and Senate are scheduled to recess the last week in March and the first week in April for their spring break. They will return back to their normal Session schedule on Tuesday, April 12th. Once they return, they will be in Session until the end of June or early July depending on their ability to complete the budgetary process. Over the past two legislative cycles, the Legislature has been able to finish the budgets by the end of June. During the summer months, the House and Senate will schedule a few days of Session just in case there is immediate business that they may need to conduct. If no such business exists, they will cancel those Session days. Additionally, since this is an election year, it's very unlikely that the Legislature will need to return to session during the summer.



### Member Spotlight

This quarter's member spotlight is on a Senator that has sponsored a MLTA priority bill (SB 610) and also sits on the Senate Banking and Financial Services Committee. This is a committee that MLTA has worked very closely with on a number of issues. Sen. Margaret O'Brien is extremely familiar with land title issues and has proven to be very helpful to the association.

State Senator Margaret O'Brien is in her first term to represent the

20th Senate District, which includes all of Kalamazoo County. She was chosen by her colleagues to serve in a leadership position as Assistant President Pro Tempore. For the 2015-16 legislative term, O'Brien will serve as Chairwoman of the Senate Veterans, Military Affairs, and Homeland Security committee. She also serves as Vice Chair of the Banking and Financial Services committee, and a member of the Health Policy and Insurance committees.

Previously, she served two terms in the State House of Representatives, representing the 61st House district from 2010-2014. She was unanimously selected both terms to the position of Associate Speaker Pro Tempore and frequently chaired the House proceedings.

Senator O'Brien is a life-long resident of Kalamazoo County and grew up on a local dairy farm with her parents and three brothers. She graduated from the James Madison College at Michigan State University in 1996 and was hired as a social worker for Catholic Charities, where she continues to volunteer today. She is a REALTOR® for RE/MAX Advantage and has been active in many organizations within her community, as a Portage City councilwoman and as Kalamazoo County Environmental Health Advisory Committee chairwoman. Senator O'Brien is a life-long resident of Kalamazoo County. She and her husband, Nick, have two children, Samantha and Tyjon. As a family they enjoy being active outdoors and are members of Valley Family Church.

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Editor's note: When my wife's grandfather passed away, I received a book of his call the "Peninsular State" it was written in 1874! In it, was a great chapter called "The Boundary Question – The Toledo War". The photo's of the book and chapter are attached but too brittle to copy but the story is a good read. Below is courtesy of the Michigan Department of Military & Veterans Affairs of this "war".

## The Boundary Question - The Toledo War

by Bob Wuerfel, Lighthouse Title Group



Stevens T. Mason

Lead by Michigan's feisty 22 year old Territorial Governor, Stevens T. Mason, a small 250-person group of volunteers moved toward Toledo to defend their territory from an Ohio take-over.

The Northwest Ordinance of 1787 established an east-west line drawn from the southern tip of Lake Michigan across the base of the peninsula. The original line was drawn using maps that showed the line intersecting Lake Erie north of the Maumee River. This is the territorial "line-of- scrimmage" that Ohioans recognized when their constitution was drafted in 1803. When the Michigan Territory was created in 1805, surveyors realized the tip of Lake Michigan was actually further south and included the area that would later become Toledo. Map

This revelation had the Ohioans in Congress screaming, "Offsides!" They immediately campaigned to have the northern line accepted as the official border. In 1817, U.S. Surveyor General, and former Ohio governor, Edward Tiffin, sent William Harris out to survey the line according to Ohio's constitution. The Michigan Territorial Governor, Lewis Cass, went to President James Monroe to protest the call. John A. Fulton was called

into the fray to make another survey of the disputed claim in accordance with the Northwest Ordinance.

It was not surprising that the two surveys resulted in two lines eight miles apart at Lake Erie and five miles apart at the Indiana border, with a total of 468 square miles in between. Although Ohio still claimed the Toledo Strip as its own, the squabbling momentarily ceased and Michigan quietly assumed jurisdiction over the area.

The controversy heated up again when Michigan sought admission to the union on December 11, 1833. In spite

of Michigan's presence in the Toledo Strip, Ohio Congressmen successfully lobbied to block Michigan's acceptance as a state until it agreed to Ohio's version of the boundary. Massachusetts Representative, and former President, John Quincy Adams, supported Michigan saying, "Never in the course of my life have I known a controversy of which all the right so clearly on one side and all the power so overwhelmingly on the other."



Ohio's position was so strong that Governor Robert Lucas refused to negotiate with Michigan over the issue. Michigan's territorial council countered by passing a resolution that would impose heavy fines on anyone other than Michigan or federal officers trying to exercise jurisdiction in the Toledo Strip. In a blatant act of defiance, Governor Lucas turned the disputed region into a county named after himself and appointed a sheriff and judge. Michigan's "boy governor" had had enough! Stevens T. Mason mobilized his troops and headed towards Ohio. The Toledo War had begun.

The War involved more saber-rattling and one-upmanship than it did shooting and blood-letting. For instance, after the Ohio legislature voted to approve a \$300,000 military budget, Michigan upped the ante by approving one with \$315,000. Michigan's militia did end up arresting some Ohio officials, capturing nine surveyors, and firing a few shots over the heads of others as they ran out of the area. But only Ohio inflicted any casualties, when a buckeye named Two Stickney stabbed a Michigan Sheriff during a tavern brawl.

When President Andrew Jackson stepped in, the war ended. Jackson removed Mason from office and the militia commander, General Joseph W. Brown disbanded his troops. But Congress still held Michigan statehood hostage until it agreed to Ohio's claims. The citizens of Michigan set up a state government anyway, and elected Stevens T. Mason governor.

Michigan eventually became the 26th state of the union, on the 26th of January, 1837. But its territory did not include the Toledo Strip. Instead, it gained title to the western three-quarters of the upper peninsula as compensation; 9,000 square miles of the most valuable timber, iron, and copper country in America.

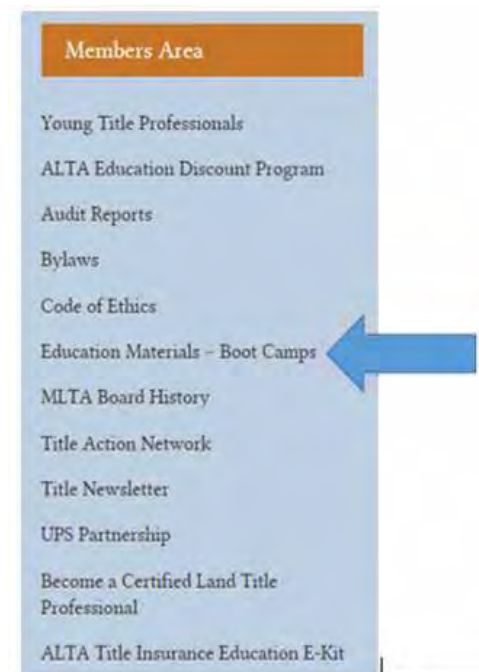
Like so many of the gridiron battles that continue to rage today, a game isn't decide on one play, but a series of plays. Poor officiating may have taken Michigan officially out of the campaign for the Toledo Strip, but in retrospect, it's obvious who won the War.





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# Are You Prepared?

## Disaster Planning Is a Business Necessity and a Regulatory Requirement

*by, Lee Ann Fenske, WFG National Title Insurance Company*

Most of us define a disaster as something terrible that happens to someone else: The fire that destroys a neighbor's home, but not ours; the tornado that touches down in other states or other counties, but not in ours; the "big one" (earthquake, that is) that will occur eventually, but certainly, not in our lifetime. It is human nature to imagine ourselves immune from these events.

However, it is also unrealistic, as the manager of a title and abstract office in North Dakota discovered when torrential rains threatened to flood the basement in which decades of irreplaceable title abstracts were stored. The overflowed river bank stopped inches before the water was about to hit the office, and the records were safe. The office was subsequently relocated to another building on higher ground. However, the message for this manager and for all of us is clear: Disaster planning is essential, not for everyone else, but for everyone. Moreover, it needs to occur long before you are sifting through the smoldering remains of a building destroyed by fire, or staring at computers submerged and paper files floating in five feet of standing water.

Disaster planning is not just sensible and essential business practice; it is also a requirement of the regulatory environment in which financial services providers operate today. Financial industry regulators require lenders to scrutinize their vendors to ensure their compliance with consumer protection laws and regulations, and the protection of consumer information is a priority.

### Lender Audits

Lenders want to know that title companies (and other service providers) are protecting consumer information from theft or unauthorized disclosure, but they also want to know that we will be able to recover essential data and fulfill our obligations to search titles, deliver documents and handle closings even if the offices from which our employees operate are damaged or destroyed.

A disaster plan is among the documents lenders want to review when they conduct a compliance audit and due-diligence vetting of their vendors. They want to know that we have in place the procedures and protocols required to protect essential information, minimize disruptions and restore normal operations as quickly as possible after a disaster strikes.

A "Disaster Recovery and Business Continuity Plan," accomplishes those goals. It should outline the specific responses required for different emergencies, identifies the individuals responsible for overseeing the plan, and provides detailed instructions for:

- Evacuating facilities;
- Securing essential equipment and information;
- Assessing damage;
- Communicating during a crisis; and
- Maintaining essential operations.



### Safety Is the Priority

Your priority is the safety of personnel and customers. Many of the procedures should focus on evacuating employees, should that be necessary, accounting for them and enabling them to work from alternate locations during the recovery period.

Securing company and customer information is also critical. Toward that end, your plan should strongly encourage the creation and maintenance of all records in electronic format and their retention in its secure datacenter facilities, rather than on paper or other physical media.

In describing the crisis communications procedures, the plan should emphasize that a disaster affects employees personally as well as professionally. Beyond physical recovery, there is an emotional recovery component that may need to be addressed, especially where physical injury or loss of human life is involved. It is extremely important to keep the lines of communication open and to encourage Company personnel to reach out for support, where needed, and to offer support to others, when it is possible and prudent to do so.

The plan should also note the importance of communicating with customers and clients to let them know that the company has reestablished operations. If they have also been affected by the disaster, knowing the Company is operational and that their transactions are still in the pipeline with someone overseeing them, will offer them some relief.

### Annual Updates Mandatory

It is recommended that facilities managers are responsible for having hard copies of the plan available on site and ensuring that key personnel store copies off-site, in their homes or other "convenient" locations, as well as a copy at the corporate headquarters. Managers are also expected



to review and update the plans at least annually. As part of the review process, managers are required to complete a number of forms providing details of the site's disaster procedures. These forms should include:

- Note the off-site location (and a back-up site) from which members of the management team will operate to oversee the emergency operations;
- Identify members of the disaster response, damage assessment and crisis communications teams each office is required to establish;
- Identify the assets to be moved in an emergency, noting the employees responsible for moving them and where the assets will be relocated;
- Provide emergency contact numbers for individuals authorized to make decisions during an emergency;
- Identify the primary contacts within critical support groups (security, IT, human resources, etc.);
- Detail employee relocation plans, noting where employees are expected to work (from home, onsite only, from a temporary office) during a "significant" disruption of normal operations; and
- List contact information for key customers and vendors who would have to be notified of a significant disruption.

Although this process, and the annual updates, may seem like a low-priority exercise, it is an essential component of the company's disaster plan, and it should be mandatory of the office managers. Industry best practices should take disaster planning process seriously. Completed forms, annual updates and annual testing must be performed. Update the plan in the event that an office relocates.

The disaster plan should also require each office to conduct a practice drill annually, simulating one of the possible emergency situations. The disaster response team is responsible for planning the drill and only members of the team are to know about it in advance; even the facilities manager is to be surprised when the drill begins. The purpose is to make sure staff members understand the plan and assess how effectively they follow it. Do the personnel responsible for rescuing equipment and documents handle those obligations? Do employees secure essential information (if possible) before an evacuation? Does the crisis communications team respond appropriately? Do team members have access to the contact information they need for employees, vendors and customers? A report on the results of the drill, noting both strengths and any weaknesses that must be addressed, should be submitted annually along with the updated disaster planning forms. Lenders require copies of this documentation during their due-diligence vetting process and during their routine audit inspections.

Perhaps the most important question to ask about the drill and the disaster planning process is whether office managers and staff members take disaster planning seriously. Remembering the experience of the North Dakota manager, the next emergency your office faces may not be a drill, and it may not be happening to someone else. It may be happening to you.

*If you would like a copy of WFG National Title Insurance Company's corporate Disaster Recovery and Business Continuity Plan for your use, please contact Jacquie Brink, WFG's Michigan State Agency Representative at 989.600.1116 or email her at [jbrink@wfgnationaltitle.com](mailto:jbrink@wfgnationaltitle.com).*

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## We're Certified, Now What?— The Value of Ongoing Monitoring

by Matthew Rekers, director of ALTA Best Practices Services Group for PYA

After buying a car, how many of us believe that we can drive it worry-free for two years without regular maintenance? Although it's an appealing idea, the reality is that regular maintenance keeps our vehicles operating at peak condition. This same approach should be considered when a title or settlement agent obtains certification to ALTA's Title Insurance and Settlement Company Best Practices. Since ALTA has suggested that a Best Practices certification be updated every two years—after we overcome the excitement of attaining certification—we should maintain regular monitoring procedures to ensure compliance during the interim period. Ongoing maintenance of your compliance program provides you, your clients, and your lenders with the confidence that your organization is prepared for whatever may lie on the road ahead.

### The Benefits of Ongoing Monitoring

Changing your car's oil is a key element of a vehicle maintenance program to help you avoid costly repairs. Likewise, monitoring your compliance posture helps you mitigate the costs of non-compliance, while keeping your organization running at its optimal performance. So, what are some of the likely outcomes of monitoring your Best Practices compliance during the two years between your certifications?

First, compliance monitoring can help your organization remain efficient. Since pursuing certification, you have developed Best Practices policies and procedures that likely resulted in changed processes. These new processes may have changed workflow that had been in place for long periods of time. Ongoing monitoring of your Best Practices compliance program is intended to identify compliance disruption due to the altering of your new organizational processes. This disruption may adversely impact others who are required to prepare reconciliations or record documents. However, by monitoring these regularly, you can be confident that your organization's new processes are performing optimally.

Second, by maintaining your compliance, you decrease your risk of exposure. When you establish your organization as having adopted Best Practices, you are asserting the standard to which your organization adheres. When studying organizations that have had a data breach, one often finds a correlation between efforts to protect customer information and the significance of the penalty assessed. While achieving Best Practices certification will most likely be looked upon favorably, maintaining the program after receiving a certification further demonstrates your commitment to protecting customer information and could result in less severe penalties in the event of a breach.

Finally, maintaining your Best Practices compliance allows you to retain your status on a lender's approved vendor listing. Through ongoing monitoring of your Best Practices compliance, you can avoid the potential cost of losing a key business partner whose confidence in your organization's compliance with industry standards has been shattered by your failure to remain compliant.

## What Does a Monitoring Program Look Like?

Now that we have identified the benefits of ongoing monitoring, how do you create a monitoring program appropriate for your organization? Our experience has enabled us to conclude that an effective framework for ongoing maintenance of Best Practices should include at least the following steps:

1. Obtain owner/senior management buy-in.
2. Designate employee(s) responsible for conducting the ongoing monitoring.
3. Develop and approve ongoing monitoring and documentation procedures.
4. Follow up and correct any detected issues.
5. Engage management in the periodic review of the program.

### Step One: Obtain owner/senior management buy-in

Buy-in from senior management is paramount. Similar to when you began implementing Best Practices in your organization, proper monitoring without managerial commitment and support proves ineffective. Leadership must develop a culture of compliance by setting the objectives of the compliance maintenance program. The very existence of a maintenance program reinforces that management is watching and expects that necessary corrective action will be taken when a problem occurs.

### Step Two: Designate employee(s) responsible for conducting the ongoing monitoring

Senior management should assume accountability for the maintenance program, but the actual conduct of the program should consider the time commitment and staff competence when assigning program responsibilities. Best Practices have a way of permeating every aspect of your business, so it is important that you find and assign competent personnel who have a clear understanding of Best Practices and are as independent from the processes they are monitoring as possible. These participants and all employees need to be empowered by management to report any issue openly and directly to senior management or the owners without repercussions. It is important to ensure that whoever monitors Best Practices in your organization has the appropriate capabilities, objectivity, and authority, and also can provide effective oversight.

### Step Three: Develop and approve ongoing monitoring and documentation procedures

Have you taken your car through an oil change station lately? If the station is like mine, the technicians immediately start calling out their inspection results and notifying each other as to how they are progressing along a well-rehearsed, documented process. The same approach should be adopted for employee(s) designated to oversee your maintenance process. In developing your monitoring procedures, you will need to address explicitly which activities must be monitored. An effective way to ensure that you are maintaining all of the Best Practices is to utilize the ALTA Best Practices Framework Assessment Procedures version 2.1 as a benchmark. And most importantly, keep all of your tracking records.

Management should take into consideration the risk associated with activities when determining how often to conduct monitoring. Developing a checklist or tracking tool to effectively document your maintenance testing on a daily, monthly, quarterly, or annual basis will provide sufficient guidance for employee(s) you've made responsible for maintenance. Discuss your approach with the firm that conducted your assessment. For





example, our firm has developed a Best Practice Monitoring Tool that we provide to our clients post-certification to help them develop their ongoing monitoring process.

## Step Four: Follow up and correct any detected issues

The goal of your monitoring process should be to fine-tune any Best Practices activities that are outside compliance standards. This step is a pivotal part of your Best Practices program. Your business is at risk of potential exposure if it is determined that you did not take reasonable measures to achieve compliance once failures or other deficiencies were identified. The outcome of monitoring must go beyond identifying actual or potential non-compliance—management must take the necessary corrective action. Often such action requires you to determine the root cause of non-compliance. For instance, if a monitor is testing transactions for non-compliance and determines that it took more than the Best Practices standard of 30 days to provide a policy to a customer, the monitor should determine why this non-compliance occurred. Only then can an appropriate corrective solution be determined.

## Step Five: Engage management in the periodic review of the program

Successful monitoring processes start and end with management involvement. Step one emphasizes obtaining senior management buy-in and places the accountability for the overall oversight with management. Although the monitoring employee(s) should report to management any potential non-compliance during the monitoring process, management also should regularly review the monitoring documentation to ensure that the guidelines developed in step three are followed. Since Best Practices involve virtually every facet of an organization, it is crucial that management is involved with administering necessary corrective actions.



### Time to Hit the Road

The intent of the third-party certification is to instill in your customers and lenders the confidence that your organization operates according to industry standards and properly protects consumer information. Therefore, implementing an ongoing monitoring program after certification helps your organization steer clear of potential risks down the road. Compliance with Best Practices should not

be viewed as a single assessment to be performed every two years. Instead, we should promote maintaining our compliance efforts like we maintain our cars. Just as a well-maintained car will give you confidence as you drive the open road, a well-maintained compliance program ensures your business is upholding the industry's highest standards.

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## 200 MLTA Members Who Care Yes, We Still Care in 2016!

*by Timothy J. McDonnell, Old Republic Title*

YES! We still care and we need your help! We are looking for 200 members who care enough about the future of the title industry to contribute \$100 or more to the MLTA PAC. This is a very important election year so your support is needed now more than ever.

This campaign is very important to our industry. Over the past several years, the integrity of our industry and the value of the work that we do every day have been called into question. The industry faces many challenges on a number of different fronts. We are currently under tremendous scrutiny from a number of governmental and regulatory agencies: including the Consumer Protection Financial Bureau (CFPB) and the National Association of Insurance Commissioners (NAIC). Your contribution to the MLTA-PAC will allow us to support candidates who know and understand the value of our industry and who will help us to maintain our important role of protecting the American Dream of Homeownership!

### HOW DO I BECOME A MEMBER WHO CARES?

We would love add your name to the list of MLTA Members Who Care! To do that you simply need to direct a contribution of \$100 or more to the MLTA-PAC. You can use the PayPal link located on the Political Action Committee tab at [www.mlta.org](http://www.mlta.org) or you can download the donation form and mail your contributions to the MLTA offices in Lansing. Please note that all contributions to the MLTA-PAC must be in the form of a personal check.

Thank you in advance for caring about our industry!

# A 'Mighty' Swim for Charity

## Chair of MLTA's PAC Seeks Donations from all 50 States and all 83 Counties in Michigan to Raise Funds for Habitat for Humanity

*by Jeremy Tohe, American Land Title Association*

Over the years, Tim McDonnell has been shaved, dunked in gunk and parachuted to raise funds for the Michigan Land Title Association's (MLTA) Political Action Committee (PAC). He's equally committed to raising funds for charitable organizations helping to cure cancer and build affordable housing.

On Labor Day this year, McDonnell will jump into the frigid waters of the Straits of Mackinac to compete in the Mighty Mac Swim and raise money for Habitat for Humanity of Michigan. The event is a 4.2-mile, open-water swim race that takes place on Labor Day morning. Due to significant and often treacherous cross-currents that vary in direction and intensity, it can take swimmers anywhere from three to six hours to finish. Swimmers are encouraged to prepare for at least a five-mile race.

### How You Can Help

Tim is seeking companies and organizations in the title and related industries to sponsor his effort through monetary donations. Let's see if we can help him get a donation from each of the 50 states and all 83 counties in Michigan to raise money for Habitat for Humanity of Michigan.

To make a donation, go to [www.crowdrise.com/timothymcdonnell1](http://www.crowdrise.com/timothymcdonnell1)  
Or, mail a check to:

Habitat for Humanity of Michigan—Mighty Mac Swim  
618 S. Creyts Road, Suite C, Lansing, MI 48917  
Please indicate "Timothy McDonnell" on the memo line.

Water temperatures are likely to be in the mid-50s or lower 60s, but swimmers are warned to "prepare for the possibility of colder water." The event starts in St. Ignace, Mich., in the Upper Peninsula and participants swim across the Straits of Mackinac under the Mackinac Bridge to Mackinaw City, Mich., in the Lower Peninsula.

"I am estimating I'll swim five to six miles if we have perfect weather day and Straits are flat," McDonnell said. The swim crosses an active shipping channel that is not closed for the race. "If you don't clear the shipping channel and a freighter comes along, the safety boats will pick you up, boat you back to the far side of the shipping channel and let you start swimming again."

Last year's event raised more than \$325,000. All money goes directly to Habitat for Humanity of Michigan. Each swimmer is required to raise a minimum of \$5,000 in order to participate in the race.

"I am hoping to get a donation from each of the 50 states and all 83 counties in Michigan as part of my effort on behalf of Habitat for Humanity of Michigan," said McDonnell, who is vice president and Michigan agency representative for Old Republic National Title Insurance Co.

Only 80 swimmers are accepted to participate in the Mighty Mac. McDonnell earned his way into the event by participating in six triathlons in 2015 and provided times that proved he had the ability to safely swim the distance.

McDonnell, who competed on swim teams from the age of six through high school. "I do a lot of swimming in the pool. Then we do some open water swimming in a few lakes. Since I signed up for the Mighty Mac, I've been doing at least two or three two-mile swims in the pool each week, but I'm looking forward to the open water."

McDonnell's flair for the extreme has helped spur some creative events for MLTA's PAC. He recalled a "Kiss the Pig" fundraiser in 1997 where local 4-H participants brought in a swine to the state convention in Traverse City. Five high-profile people were recruited to participate. Contributions were made in their name and the winner had to kiss the hog right on the snout. That event raised \$6,000. In 2003, the "Close Shave for the PAC" raised just under \$10,000.

"I had long hair then and it was all taken off," said McDonnell, who is a past president of MLTA and current chair of the state association's PAC. He calls the 2007 MLTA PAC fundraiser the "craziest." Coined "Pennies from Heaven," McDonnell was the winner of the event as more than \$7,500 was donated in his name. During the MLTA's cocktail party at its Annual Convention, an airplane flew in, picked up McDonnell and gave him 10 minutes to train before taking to the air. Landing at the party, "One of the guys brought me a beer right away," McDonnell joked. "Two years after that jump, I learned that MLTA took out a \$2 million life policy on me." All told, the event raised nearly \$12,000.



*Tim McDonnell completes the 2015 Swim to the Moon 5K event.*

His biggest passion may be helping raise funds to find a cure for cancer. McDonnell's wife is a breast cancer survivor and his brother-in-law died from Mesothelioma. Since 2009, he's biked more than 1,000 miles, and swam and walked hundreds more to raise more than \$100,000 for various groups such as Susan G. Komen Foundation and Mesothelioma Applied Research Foundation.

"I've met a lot of incredible people that do some fantastic work through my involvement with the Susan G. Komen Foundation," McDonnell said. "There's a great sense of giving and accomplishment for doing this."



# U.S. Appeals Court Upholds IRS Forced Sale of Entireties Property Over Innocent Spouse's Objections



by Gregg Nathanson,  
Couzens, Lansky  
Fealk, Ellis, Roeder &  
Lazar, P.C.



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Gregg A. Nathanson, Esq.

The U.S. Court of Appeals for the 6th Circuit recently allowed the Internal Revenue Service (IRS) to enforce its tax lien and sell a principal residence owned by a husband and wife, as tenants by the entireties, where the wife did not owe any unpaid taxes. The Court rejected the wife's argument that the government may sell only her husband's interest in the property, since he alone owed the delinquent taxes.

## FACTS

The husband admitted owing the Federal government over \$1 million dollars for federal employment taxes, interest and penalties. The IRS filed a civil suit to reduce its tax assessments to judgment. The IRS also sought to enforce its tax lien through the sale of the marital principal residence owned by the husband and wife, as tenants by the entireties. It is undisputed that the wife did not owe any unpaid taxes.

## WIFE'S ARGUMENTS

The wife argued that the Federal District Court should have limited the IRS to the sale of her husband's interest in the residence instead of allowing the sale of the entire property. She argued that a forced sale of the residence would leave her not just homeless, but under compensated, because she has a greater interest in the property due to her longer life expectancy. Women have longer life expectancies than men, and she is in good health, but her husband has heart disease, a stint, and is a diabetic. She also argued that a forced sale through the IRS Property Appraisal and Liquidation Specialist auction process typically yields only 80% of fair market value. Such a below market sale would deprive her of her constitutional right to just compensation under the Fifth Amendment to the U.S. Constitution.

## MICHIGAN LAW AND APPELLATE COURT ANALYSIS

Michigan law has historically held that a husband and wife who own property as tenants by the entireties are considered one person. Neither spouse has an interest in the property separable from the other. Neither has an interest that can be sold, conveyed or encumbered without the consent of the other. Neither spouse acting alone may subject the property to the payment of his or her individual debts. This rule applies in most circumstances and to most creditors, but not the IRS.

The Court of Appeals' analysis begins by stating that failure to pay federal taxes after demand from the government converts the amount owed (including interest and penalties) into a lien in favor of the United States upon all of the debtor's property and rights to property. The government may then enforce that lien in Federal District Court, naming all persons with an interest in the property as defendants. The District Court has authority to determine all claims and liens against the property. The District Court may further decree a sale of the property, even entireties property, and distribution of the proceeds.

The Court next dismissed the wife's argument that she will suffer under-compensation from the sale of the entireties property because she has a longer life expectancy, and thus a greater interest in the property than her husband. The Court found that Michigan law provides spouses are entitled to an equal interest in entireties property. There is, for example, an equal distribution of entireties property upon divorce or consensual sale, and differences in life expectancy do not result in different survivorship interests. Therefore, the Appellate Court upheld the District Court's decision to order the sale of the entire property. The Court of Appeals presumably relied on recent precedent, without citing it, that lets the IRS and Federal Government alone, unlike all other creditors, force a sale of entireties property where only one of the two spouses, owes a debt.

Finally the Court considered the wife's argument that the forced sale of entireties property violates the just compensation clause of the Fifth Amendment to U.S. Constitution. The wife argued that she had a greater interest in the property -- her primary home -- due to her greater life expectancy, and that a forced auction sale would yield less than the fair

market value of the residence. The Court concluded that the Federal statute permitting the sale provides adequate protection for non-delinquent taxpayers. The authorizing statute permits a sale to facilitate the extraction of value from concurrent property interests that are properly liable for the taxpayer's debt. To the extent that the third-party property interest (such as that of the wife) are "taken" in the process, the statutory framework provides compensation for that "taking" by requiring that the Court distribute the proceeds of the sale in respect to the interest of the parties. Therefore, so long as third-party interest holders (such as the wife) are compensated, there is no taking-clause problem.

In sum, if a tax delinquent spouse and an innocent spouse own their principal residence as tenancy by the entireties property, the IRS can force a sale of the home and apply one-half of the net proceeds to the delinquent spouse's tax debt.

## TAKEAWAY

Be careful who you marry.



Local Association	2016 YTD # Sales	2015 YTD # Sales	16-15 YTD % Change	2016 YTD Avg Price	2015 YTD Avg Price	16-15 YTD % Change	2016 Feb Sales	2015 Feb Sales	16-15 % Change	2016 Feb Avg Price	2015 Feb Avg Price	16-15 % Change
Ann Arbor Area Board of REALTORS®	374	306	22.22%	\$261,187	\$253,148	3.18%	183	148	23.65%	\$265,746	\$274,182	-3.08%
Antrim Charlevoix Kalkaska Association of REALTORS®	56	56	0.00%	\$184,777	\$181,927	1.57%	27	21	28.57%	\$150,615	\$167,517	-10.09%
Battle Creek Area Association of REALTORS®	171	159	7.55%	\$113,246	\$96,698	17.11%	86	77	11.69%	\$120,456	\$96,268	25.13%
Bay County REALTOR® Association	149	160	-6.88%	\$74,678	\$70,108	6.52%	76	71	7.04%	\$81,356	\$69,504	17.05%
Branch County Association of REALTORS®	64	41	56.10%	\$66,621	\$111,767	-40.39%	33	17	94.12%	\$48,875	\$114,059	-57.15%
Central Michigan Association of REALTORS®	117	103	13.59%	\$94,801	\$96,044	-1.29%	77	44	75.00%	\$99,607	\$87,046	14.43%
Clare-Gladwin Board of REALTORS®	109	95	14.74%	\$77,145	\$59,563	29.52%	53	43	23.26%	\$58,998	\$60,993	-3.27%
Detroit Board of REALTORS®	578	533	8.44%	\$44,781	\$34,845	28.52%	275	274	0.36%	\$47,860	\$32,562	46.98%
Down River Association of REALTORS®	146	159	-8.18%	\$134,470	\$98,066	37.12%	84	92	-8.70%	\$146,030	\$103,868	40.59%
Eastern U.P. Board of REALTORS®	90	99	-9.09%	\$68,777	\$62,831	9.46%	58	63	-7.94%	\$42,910	\$40,075	7.08%
Emmet Association of REALTORS®	82	75	9.33%	\$188,210	\$328,838	-42.77%	47	36	30.56%	\$181,845	\$473,235	-61.57%
Genesee County	636	579	9.84%	\$112,996	\$104,699	7.92%	328	299	9.70%	\$110,993	\$110,406	0.53%
Grand Rapids Association of REALTORS®	1,932	1,679	15.07%	\$185,460	\$164,851	12.50%	1,047	879	19.11%	\$187,326	\$167,445	11.87%
Greater Kalamazoo Association of REALTORS®	490	473	3.59%	\$142,717	\$139,124	2.58%	242	279	-13.26%	\$142,341	\$126,113	12.87%
Greater Lansing Association of REALTORS®	429	776	-44.72%	\$137,596	\$126,136	9.09%	388	373	4.02%	\$131,849	\$124,003	6.33%
Greater Shiawassee Association of REALTORS®	41	39	5.13%	\$87,858	\$102,027	-13.89%	21	15	40.00%	\$109,983	\$105,980	3.78%
Greater Wayne County	2,036	1,893	7.55%	\$141,446	\$129,677	9.08%	1,023	946	8.14%	\$141,207	\$131,077	7.73%
Grosse Pointe	98	83	18.07%	\$285,306	\$255,299	11.75%	51	42	21.43%	\$271,079	\$276,000	-1.78%
Hillsdale County Board of REALTORS®	40	61	-34.43%	\$93,035	\$76,187	22.11%	23	26	-11.54%	\$97,474	\$74,150	31.46%
Huron County	10	7	42.86%	\$79,750	\$97,429	-18.15%	6	2	200.00%	\$68,333	\$154,500	-55.77%
Jackson Area Association of REALTORS®	244	247	-1.21%	\$123,008	\$100,419	22.50%	118	111	6.31%	\$111,654	\$98,305	13.58%
Lapeer County	104	122	-14.75%	\$147,008	\$142,358	3.27%	52	57	-8.77%	\$145,381	\$126,813	14.64%
Lenawee County Association of REALTORS®	161	130	23.85%	\$126,920	\$101,432	25.13%	82	70	17.14%	\$129,159	\$94,322	36.93%
Livingston County	378	309	22.33%	\$223,650	\$220,576	1.39%	202	159	27.04%	\$229,728	\$232,532	-1.21%
Oakland County	2,403	2,052	17.11%	\$239,882	\$223,246	7.45%	1,168	986	18.46%	\$245,940	\$230,023	6.92%
Macomb County	1,512	1,328	13.86%	\$150,194	\$135,264	11.04%	746	651	14.59%	\$139,769	\$135,253	3.34%
Mason-Oceana-Manistee Board of REALTORS®	98	92	6.52%	\$122,587	\$158,547	-22.68%	47	48	-2.08%	\$121,675	\$176,284	-30.98%
Midland Board of REALTORS®	124	117	5.98%	\$150,298	\$135,308	11.08%	65	61	6.56%	\$151,867	\$133,453	13.80%
Monroe County Association of REALTORS®	194	167	16.17%	\$148,418	\$136,898	8.41%	85	96	-11.46%	\$148,471	\$132,813	11.79%
Montcalm County Association of REALTORS	85	64	32.81%	\$103,294	\$101,259	2.01%	52	31	67.74%	\$105,817	\$86,054	22.97%
Northeastern Michigan Board of REALTORS®	98	81	20.99%	\$81,432	\$90,938	-10.45%	45	39	15.38%	\$74,763	\$80,684	-7.34%
Paul Bunyan Board of REALTORS®	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Saginaw Board of REALTORS®	271	275	-1.45%	\$86,529	\$75,182	15.09%	141	143	-1.40%	\$87,355	\$67,722	28.99%
Sanilac County	18	34	-47.06%	\$76,351	\$83,017	-8.03%	6	14	-57.14%	\$64,133	\$52,531	22.09%
Southwestern Michigan Association of REALTORS®	344	333	3.30%	\$167,664	\$173,591	-3.41%	182	175	4.00%	\$153,649	\$139,234	10.35%
St. Clair County	230	192	19.79%	\$129,522	\$121,631	6.49%	110	80	37.50%	\$126,414	\$116,865	8.17%
St. Joseph County Association of REALTORS®	117	78	50.00%	\$100,024	\$122,936	-18.64%	54	36	50.00%	\$85,660	\$129,766	-33.99%
Traverse Area Association of REALTORS®	335	306	9.48%	\$212,821	\$230,520	-7.68%	149	154	-3.25%	\$226,617	\$213,492	6.15%
Tuscola County	37	34	8.82%	\$91,379	\$83,938	8.86%	15	18	-16.67%	\$71,694	\$74,132	-3.29%
Upper Peninsula Association of REALTORS® *	256	227	12.78%	\$112,071	\$92,341	21.37%	124	116	6.90%	\$99,860	\$88,657	12.64%
Water Wonderland Board of REALTORS®	228	236	-3.39%	\$109,251	\$85,128	28.34%	115	110	4.55%	\$102,156	\$83,803	21.90%
West Central Association of REALTORS®	145	182	-20.33%	\$103,231	\$88,735	16.34%	71	90	-21.11%	\$104,380	\$93,485	11.66%
West Michigan Lakeshore Association of REALTORS®	654	592	10.47%	\$171,302	\$157,731	8.60%	328	311	5.47%	\$168,270	\$149,739	12.38%
<b>TOTALS</b>	<b>15,684</b>	<b>14,574</b>	<b>7.62%</b>	<b>\$132,183</b>	<b>\$129,768</b>	<b>1.86%</b>	<b>8,085</b>	<b>7,303</b>	<b>10.71%</b>	<b>\$128,555</b>	<b>\$131,546</b>	<b>-2.27%</b>

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

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Organizational and Leadership Growth Expert

## Strategic People Reminders for the Busy Executive

by Scott Patchin, The trU Group

### The Question

"How do I increase the level of accountability in my organization?"

### A Perspective

In seven years of working with leaders and leadership teams nobody has started a conversation this way. What I hear first from leaders are statements like:

- I am tired of working late handling issues when my team is leaving on time.
- Our sales have been flat for three years but our market is growing.
- When I am not here my leadership team does not meet and they delay decisions until I return.
- People ask for a budget, but and I don't think we need one. I want people to use common sense and not play all those 'budget games'.

As leaders, we feel a lack of accountability, and talk about it in terms of results and frustrations.

My favorite definition of leadership is from Ken Blanchard. Leadership is an influence process. It is about working with people to accomplish their goals and the goals of the organization. How would the conversation change if we saw goals not being attained as a leadership issue and not an accountability issue? I heard a quote recently that Accountability is a flashlight, not a bat. Addressing this starts with leadership.

### Your Action Plan

First, starting a push for accountability through slogans like "We need to get the right people on the bus" or some sort of forced ranking of A, B, and C players will build fear that will further erode the culture you need to get the work done when you are not there. Here are some tips that will help you develop as a leader:

**More accountability in my day to day management:** A common term in management is the concept of 'management by walking around'. If you're looking for a way to make your conversations more productive in both the area of building relationships and getting work done through your team, I encourage you to read *The One Minute Manager* by Ken Blanchard. It is short (<100 pages) and it gives you something you can start practicing tomorrow.

**Increase team accountability:** If you are a manager or director in your organization, focus on creating meetings where the most important things get discussed AND you build a culture of follow-up and support. I would recommend reading *DEATH by Meeting* by Patrick Lencioni and use that as a guide to change how you meet, debate, and create action plans.

**Increase organizational accountability:** I work with high growth companies and have settled in on a methodology for strategic planning and the execution of the plan called EOS (*Entrepreneurial Operating System™*) that is the best process to address the frustrations of a CEO. It is outlined in a book called *Get A Grip* by Gino Wickman. The thing to remember, accountability starts with the leader and the leadership team. If you don't do it well, then your organization will not do it well.



*Do you need help building your capacity to have these conversations? Are you seeing big issues in reaching your organizational goals and want to talk about the steps to addressing these? Are you interested in hearing more about EOS? Contact me. Scott@thetrugroup.com*  
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May 11: MLTA Spring Education Seminar  
*Livonia*

July 17-19: MLTA Summer Convention  
*Boyne Mountain*

October 19: MLTA Fall Education Seminar  
*Grand Rapids*

November 9: MLTA Fall Education Seminar  
*Livonia*



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