



Spooky Claims 2007
by Susan Withers

House Keeping

Please do not place the conference on hold!
Background/hold music makes it difficult to hear the speaker

Please mute your phones! We are voice recording the conference. If you don't have a mute button on your phone try *6 to mute and un-mute your phone.

Note: webinar materials for the September webinar "Economic Update" by Ted Jones are now available online at www.stewarttexas.com



Spooky Claims

Susan Withers
Field Customer Service
Representative
Stewart Title Guaranty Company

Boss, there's a lady on the phone who wants to talk to you about a claim



Boss, there's a lady on the phone who wants to talk to you about a claim

Is this what you're thinking?



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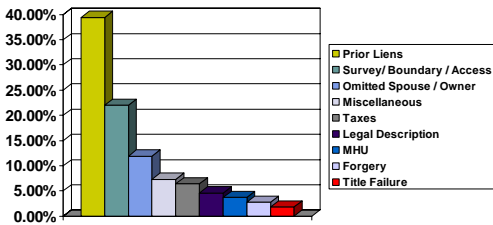
Claims for last six months in South, Central and West Texas

What types of claims were filed in our area, and could any of them have been prevented?



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Claims for last six months in South, Central and West Texas



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Prior Liens 39.4%

- 2/3 of prior lien claims have been generated by Lender's Foreclosure Reports
- 1/3 of prior lien claims result from actual unreleased prior liens



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Foreclosure Filings Nearly Double

AP News Wire Story 10/11/07

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- A total of 223,538 foreclosure filings were reported in September, up from 112,210 in the same month a year ago, according to Irvine-based RealtyTrac Inc.

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- LOS ANGELES (AP)—Foreclosure filings across the U.S. nearly doubled last month compared with September 2006
- A total of 223,538 foreclosure filings were reported in September, up from 112,210 in the same month a year ago, according to Irvine-based RealtyTrac Inc.
- The number of filings in September (2007) was down 8 percent from August's (2007) 243,947.

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Prior Liens 39.4%

- Most claims by foreclosing lenders can be resolved by:



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Prior Liens 39.4%



- Most claims by foreclosing lenders can be resolved by:
 - providing a copy of release that is already of record, or



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Prior Liens 39.4%



- Most claims by foreclosing lenders can be resolved by:
 - providing a copy of release that is already of record, or
 - Obtaining a release for a lien that has already been paid off at closing, and providing a copy of that release to the lender, or



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- Most claims by foreclosing lenders can be resolved by:
 - providing a copy of release that is already of record, or
 - Obtaining a release for a lien that has already been paid off at closing, and providing a copy of that release to the lender, or
 - Verifying that the lien does not concern our buyer.

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Prior Liens 39.4%



- Follow up after sending payoff, obtain and record release



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Prior Liens 39.4%



- Follow up after sending payoff, obtain and record release
- If the lender does not send a release, prepare and record an Affidavit as Release of Lien

We can provide forms to you, call or email:

Vallery Cowden 713-232-4381 or

vcowden@stewart.com

Or contact the FCSR for your district

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Prior Liens 39.4%



- If buyers have a “common name,” use complete name in our documents, so as to help distinguish our buyer.



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Prior Liens 39.4%



- If buyers have a “common name,” use complete name in our documents, so as to help distinguish our buyer.
- Check all variations on legal description
 - Acreage in abstract,
 - unrecorded subdivision,
 - Especially if the seller owns many properties

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Prior Liens 39.4%



- See Virtual Underwriter Bulletin TX2007002 for changes resulting from the most recent legislative session.



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Prior Liens 39.4%



- See Virtual Underwriter Bulletin TX2007002 for changes resulting from the most recent legislative session.
- SB 699 – After 9/1/07, all Not Same Person Affidavits should contain only the last 3 digits of the affiant's social security and driver's license number

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Surveys, Boundary, Access & Easements 22%



22

Have you considered survey coverage?



Is this how your buyers arrive at closing?



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Surveys, Boundary, Access & Easements 22%



- Explain survey coverage to the buyer. Does this happen only at the closing table? Consider sending notice to buyer with commitment, so they can understand the risk, and have time to order a survey.



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Surveys, Boundary, Access & Easements 22%



- Explain survey coverage to the buyer. Does this happen only at the closing table? Consider sending notice to buyer with commitment, so they can understand the risk, and have time to order a survey.
- Waiver of Inspection and Disclosure to Owner (Texas Bulletin 10); this waiver form is crucial to most of my claims resolutions.

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Surveys, Boundary, Access & Easements 22%



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Surveys, Boundary, Access & Easements 22%



- Check first deeds out from parent tract



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Surveys, Boundary, Access & Easements 22%



- Check first deeds out from parent tract
- How do neighboring tracts have access?



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Surveys, Boundary, Access & Easements 22%



- Check first deeds out from parent tract
- How do neighboring tracts have access?
- Look at all documents, a document might not be named the way you would name it



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Surveys, Boundary, Access & Easements 22%



- Check first deeds out from parent tract
- How do neighboring tracts have access?
- Look at all documents, a document might not be named the way you would name it
- Don't rely on identification in the index



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Access



Surveys, Boundary, Access & Easements 22%



- Ranches are being broken up, land is more precious, this is a claim which will be more common (and expensive)



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Surveys, Boundary, Access & Easements 22%



- County road maps should be final. If no road, have a recorded (or recordable) access easement, or take exception!



Omitted Spouse or Ownership Interest 11.9%



- Some claims are by lenders whose pre-foreclosure reports are incompetent—don't find divorces or probate



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Omitted Spouse or Ownership Interest 11.9%



- Check divorce and probate records

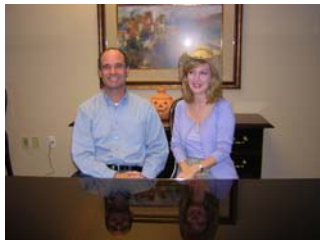


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Omitted Spouse or Ownership Interest 11.9%



- Check divorce and probate records
- All owners/buyers must sign documents



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Omitted Spouse or Ownership Interest 11.9%



- Check divorce and probate records
- All owners/buyers must sign documents
- Read deeds—what is a life estate?



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Omitted Spouse or Ownership Interest 11.9%



- Check divorce and probate records
- All owners/buyers must sign documents
- Read deeds—what is a life estate?
- Intestate succession laws changed 9/1/93
- See Virtual Underwriter



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Taxes 6.4%



- Does tax information cover all of the property, or is it in 2 or 3 accounts? Does the tax information show outstanding interests?



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Taxes 6.4%

- Has there been a change in status—lost exemptions? Improvements? Get tax certificate from County. Explain this to buyer.



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Taxes 6.4%

- Get tax proration agreement signed by the parties to the transaction.
(Leave us out of it!)



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Taxes 6.4%

- Do not return tax money to the sellers until you determine with certainty who paid the taxes



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Legal Description 4.6%



- Check legal—lot and block correct? Subdivision? Plat references?



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Legal Description 4.6%



- Check legal—lot and block correct? Subdivision? Plat references?
- Documents match commitment?



44

Legal Description 4.6%



- Check legal—lot and block correct? Subdivision? Plat references?
- Documents match commitment?
- Beware of new metes and bounds




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Manufactured Housing Unit 3.7%

- SOL procedure better now, but still facing claims from years past




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Manufactured Housing Unit 3.7%

- SOL procedure better now, but still facing claims from years past
 - HB 1460—effective 1/1/08

After foreclosure, a lender can obtain the SOL



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Manufactured Housing Unit 3.7%

- Texas Department of Housing and Community Affairs
www.tdhca.state.tx.us



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Forgery and Fraud 2.8%

- Fraudulent affidavits of heirship.
 - Does the story make sense?
 - Are the witnesses un-related?
 - Was it recorded with an insured transaction?



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Forgery and Fraud 2.8%

- Fake wives—
NL Bulletin 042, close at Stewart Title office or other approved office for mail-away transactions



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Forgery and Fraud 2.8%



- Fake wives—NL Bulletin 042, close at Stewart Title office or other approved office for mail-away transactions
- 2007 Fraud and Forgery Watch Program

www.stewartpoint.com

\$500 Reward



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Who Can You Call to Report Mortgage Fraud?



Mortgage Fraud is Investigated by the FBI

- Austin Field Office
Matt Gravelle (512) 794-3049
Will provide names & numbers for other areas
- McAllen Field Office
Jason Newport (956) 984-6300
- El Paso Division Office
(915) 832-5000

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Title Failure 1.8%



- Legal description in vesting deed may be inaccurate—portion uninsurable?



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Miscellaneous 7.3%



- Forged documents in chain—release logical? Signatures match? Especially if member of the military



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Miscellaneous 7.3%



- Forged documents in chain—release logical? Signatures match? Especially if member of the military
- Never hesitate to call the notary.
<https://direct.sos.state.tx.us/notaries/NotarySearch.asp>

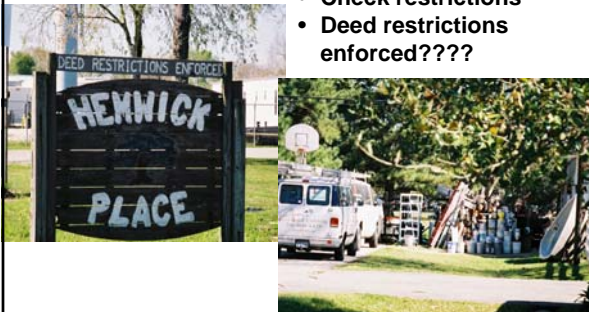


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Miscellaneous 7.3%



- Check restrictions
- Deed restrictions enforced????



Miscellaneous 7.3%



- Missed restriction—check deeds! Especially first deed out



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Miscellaneous 7.3%



- Documents recorded in “gap”—Mechanic's Lien Affidavits, squabbles between partners.



Inquire. Know your builder or seller.

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Miscellaneous 7.3%



- Lender didn't receive final documents—get policy out in a timely manner, retain mailing/shipping information in the file.



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Miscellaneous 7.3%



- Policy must reflect current transaction! NL Bulletin 63 – Add reservations, restrictions, other items created by the insured transaction to the exceptions on the policy



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Follow our suggestions . . .



And you'll never make this face



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Have Questions? Need Forms?



Susan Withers
Field Customer Service Representative
swithers@stewart.com
(713) 625-8477

Vallery Cowden
Field Customer Service Representative Assistant
vcowden@stewart.com
(713) 232-4381

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Our Sincerest Appreciation To



- Nedra Smith and Hugo Garcia at Stewart Title Company Houston for intestate succession and tax info
- Legal department at Westway for patiently posing for our photos again this year
- Photos courtesy of freerangestock.com, photogen.com, stockvault.net, yotophoto.com and fotosearch.com



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Thank you



- For Escrow Officer Credit please email password and attendees names to ken.wrider@stewart.com for certificate
(Please do this as soon as possible. Certificates will not be produced after the start of our next webinar)
- For Attorney Credit -CLE course number 900028079 (Please email your bar card number to Ken if you would like us to add your attorney hours)

Next Texas TIPS Online

11-15-07 "Technology Update: What's new for Title Agents?"
by Patrick Opela

See www.StewartTexas.com for calendar and materials

- Questions/Comments? Email Allison.James@stewart.com

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