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New England Land Title Association outgoing president's message for June 2019 - by Elizabeth Young

June 14, 2019 - Spotlights

Elizabeth Young
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New England Land Title Association's (NELTA) 49th Annual Convention at the Sea Crest Beach Hotel in Falmouth from June 13th through June 16th, will be another beautiful opportunity to enjoy the sun and relax as we take advantage of NELTA's educational and networking opportunities.

We are honored to have the incoming president of the American Land Title Association (ALTA) as our featured speaker on Saturday, Mary O'Donnell. O'Donnell is the CEO and president of Westcor Land Title Insurance Co. and we look forward to welcoming her to the NELTA's Annual Meeting.

Our educational events this year in Falmouth include Friday sessions on "Working with Lenders – New Closing Instructions and Title Requests" with Ruth Dillingham and Melanie Kido, "The State of The State of Digital Closings" with Carrie Rainen, and Elizabeth Blosser of ALTA will speak on the status of Remote Notarizations nationally.

The Saturday sessions include an "ALTA Update" with O'Donnell and Stewart Title's chief economist Ted Jones will present "Axioms: An Outlook & Forecast for the Economy, Real Estate and Life." We look forward to seeing you there!

CFPB Update: On May 31st, the Consumer Protection Board confirmed that its TILA-RESPA Integrated Disclosure (TRID) applies to most construction-only and construction-to-permanent loans. The Regulation Z provisions that address construction loans are:

- (1) Section 1026.17(c)(6), which provides for the ability of a creditor to treat a construction-to-permanent loan as one or multiple transactions;
- (2) Appendix D, which provides guidance on how to calculate certain disclosures with construction loans; and

(3) Section 1026.19(e)(3)(iv)(F), which permits a creditor to issue a revised loan estimate with a loan on new construction when settlement is expected to occur more than 60 days after the original loan estimate is provided.

Wire Fraud: Only your meticulous attention to these details can prevent wire fraud! Americans lost nearly \$150 million to real estate scams in 2018 and more than 11,000 real estate deals fell through due to wire fraud. Constant vigilance is needed for every transaction, and everyone in your office should be aware of the dangers of wire fraud. Basic rules include:

- Always confirm wire and other disbursement instructions by calling a known telephone number, not the one on the email that you are trying to confirm;
- Confirm that the account to which you are wiring is in the name of the party entitled to the funds;
- Provide your wire instructions via hard copy only;
- New deals out of nowhere, be very suspicious of them and confirm carefully; and
- Always be very careful with any unknown email or any embedded links in an email, even from a known source!

New examples of payoff fraud:

- Spoofed lender payoff portals;
- Lender payoff statements received directly from the lender;
- Payoff received from current borrower;
- Land contract payoffs, seller-held mortgages and other third-party payments; and
- Payoff trolling.

Remember that the criminals are always changing their methods, so double check everything!

Electronic Remote Notarization: Maryland has joined the list of states that authorize remote notarizations when the governor signed the RON law into effect in May.

There are now 19 states currently considering remote notarization measures but have not yet enacted them, including Arizona, California, Colorado, Florida, Hawaii, Idaho, Iowa, Kentucky, Missouri, Nebraska, New Jersey, New York, North Dakota, Oklahoma, South Carolina, South Dakota, Utah and Washington.

Remote Notarization is happening, regardless of the number of states where it is authorized.

Be prepared, and follow NELTA and ALTA's resources to stay on top of the law!

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