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AGENCY

Title Talk

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April-May 2009 Edition



Corporate Title Agency has many Michigan branch offices to serve you—

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Petoskey,
Harbor Springs,
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Big Rapids,
Greenville, and
Grayling and 2
Florida branches
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WHAT'S NEW

It is officially spring according to the calendar and the weather is bound to catch up with the calendar one of these days. In the meantime, think warm thoughts!

Did you know?

As of April 1, 2009, several area health departments began their POS system relative to the inspection of a water supply and septic system. A POS program mandates the inspection of the water supply (well) and sewage disposal (septic) system when the property is sold. The primary purpose of this program is to inform a buyer of what type of facilities they are purchasing and in what condition the facilities are. The counties involved within District #10 include Kalkaska, Manistee, and Newaygo (Brooks Township). The inspection may be done by the District Health Department or by a private inspector, certified by the Department. A person who is licensed by the State of Michigan as a well driller will be certified to do a well inspection and any septic contractor licensed by the District will be certified to do a septic inspection. Certain transfers are exempt from the POS program:

- Transfer to exclude a spouse or from spouse to an immediate family member;
- Transfer subject to a life lease/life estate;
- Transfer ending or creating a joint interest;
- Transfer to effect a foreclosure or forfeiture of property or redemption from a tax sale (Note: POS needed once property is sold);
- Transfer to establish or release a security interest;
- If a new well or septic system was installed within the past 2 years OR an inspection of the well or septic has been done in the past 2 years, the water supply or septic system will not need an inspection;
- Land contracts
- Property that is being demolished and not occupied after the conveyance;
- Public sanitary sewer will be available within 6 months and the existing system is not failing.

If the owner of the property does not apply for the evaluation, the Department will perform one and charges all costs/fees to the owner. If the owner refuses to pay, the sum will be assessed (a lien may be placed against the property) and collected and treated in the same manner as property taxes. Anyone who violates the regulation is guilty of a misdemeanor punishable by a fine of \$500. Each day of violation is considered a separate offense.

For more information, please visit www.dhd10.org.

Did you know.... Continued from page 1

Just a reminder that the Mortgage Brokers, Lenders and Services Licensing Act, 1987 PA 173, as amended, MCL 445.1651 et seq. (MBLSLA) and the Secondary Mortgage Loan Act, 1981 PA 125, as amended, MCL 493.51 et seq. (SMLA) required each mortgage broker, lender and servicer licensee/registrant to register its individual loan officers with the Office of Financial and Insurance Regulation (OFIR) by April 1, 2009. Although 10,000 loan officers (estimated) were to apply for such registration, as of late February, less than 1,000 loan officer applications had been received by OFIR. Any individual that is not a registered loan officer is not authorized to be compensated for a mortgage loan transaction occurring after April 1, 2009. All currently approved loan officer registrants are listed on the OFIR website under "Who We Regulate."



Market News:

Foreclosures. Foreclosure activity increased 6% in February, according to the US Foreclosure Market Report put out by RealtyTrac. The report identified 290,631 foreclosure filings on US property during the month of February, which was an increase of approximately 30% from one year ago. Nevada continued to be at the top of the list for the number of foreclosure filings with 1 in every 70 homes having foreclosure filings on them. Arizona and California were listed at 2 and 3, respectively. Florida, Idaho, Michigan, Illinois, Georgia, Oregon and Ohio rounded out the top 10.

State Homebuyer Tax Credit. The Michigan Senate has approved a state income tax credit for taxpayers who buy a home in 2009 or in 2010. New homebuyers could claim a credit for 10% of the sales price or \$10,000, whichever is less. The pending legislation moved on to the House for approval. If approved, the credit would apply to anyone who buys a primary residence between the time the new law takes effect and the end of 2010.

Legislative/Case law Update

Riparian Rights. Locust Land Resort, LLC v Thiebaut, addressed the riparian rights of some owners of lots in a platted subdivision, which lots abutted a park which abutted the lake ("front lot owners"). The trial court had ruled that the front lot owners had riparian rights. However, the Michigan Court of Appeals overruled the trial court. There was clear, unambiguous language that stated that the park was dedicated to the use of the plat owners jointly and the plat proprietor made no

differentiation between front and back lot owners. The front lot owners did not have riparian rights merely by virtue of their lots abutting the park which abutted the lake.



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