

September-October-November-December 2009 Edition

## What's New?

*Welcome to winter!*

*Wishing everyone Happy Holidays and a safe, healthy and prosperous 2010!!*

We have several new employees at Corporate Title since our last newsletter. In our Traverse City office: Annette Fisher-Final Policies; Jan Krupp and Josh Howe-IT; Laurie Deely-Human Resources; and in our Big Rapids office, Connie Maclain-Order Entry and Lisa Brauher-Sales/Marketing.

## Did you Know...

The RESPA reform deadline is close! As previously mentioned (but it is worth mentioning again), there have been many changes to the Real Estate Settlement and Procedures Act (RESPA), some of which became effective January 16, 2009 and the majority of which became effective January 1, 2010. The change was made to help consumers shop for the best loan and provide for a standard format to allow consumers to compare lenders (apples to apples) and provide for full disclosure of loan terms at closing.

Title agencies will be required to use a 3-page HUD-1 statement and lenders required to issue a new Good Faith Estimate (GFE). All title company fees except for the owner's title policy and owner's policy endorsements, will be reflected as a bulk charge on line 1101. The 1100 series is for title services, which includes: title examination and evaluation; preparation and issuance of commitment; clearance of underwriting objections; preparation and issuance of (loan) policies; all processing and administrative services required to perform these functions (e.g. document delivery, preparation and copying, wiring, loan policy endorsements, and notary) and the service of conducting the closing/settlement.

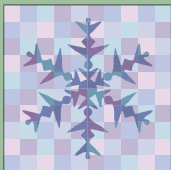
More changes you will see:

- If a seller is paying for any closing fees on behalf of the buyer, the charge remains in the buyer's column and a credit from the seller to the borrower to offset the charge should be listed in lines 204-209 and line 504-509, respectively.
- The percentage used to compute the sales commission has been removed. The total amount of the commission to each real estate broker is shown on Lines 701 and 702.

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Contact Corporate Title Agency for title insurance and closing services anywhere in Michigan. We provide these services from the following Michigan branch offices -- Traverse City, Benzonia, Suttons Bay, Elk Rapids, Charlevoix, Petoskey, Harbor Springs, Gaylord, Bellaire, Mt. Pleasant, Big Rapids and Greenville.



## Did you know (Continued from page 1)

- The lender is required to transmit the information necessary to complete the HUD-1 to the closing agent. The instructions for completion of this state that the lender must provide information to the closing agent in a format that permits the closing agent to simply enter the necessary information to complete the loan terms section on Page 3 of the HUD-1 without having to refer to the loan documents.
- There is a shorter standardized GFE, an added 30 day right to cure any errors or omissions on the HUD-1, the removal of volume based discounts and a disclosure of key loan terms
- The GFE contains three levels of tolerances:
  - Charges that cannot increase at all (zero tolerance items)
    - ✦ Lender's origination fee; lender costs; credit or charge (points) for the specific interest rate chosen after such rate is locked in; adjusted origination charges after your rate is locked in; and transfer taxes
    - Charges that can increase up to 10% (aggregate)
      - ✦ Required services that the lender selects; title services and lender's title insurance if the lender selects them or the consumer uses the companies the lender identifies; required services that the consumer can shop for, if the consumer uses companies the lender identified; and government recording charges.
    - Charges that can change in any amount at settlement/closing
      - ✦ Required services that the consumer can shop for (borrower selected services), title services and lender's title insurance and owner's title insurance—all if the consumer does not use any company the lender identifies; initial deposit for the consumer's escrow account; daily interest charges and homeowner's insurance.



### Michigan moves out of the top 10.

Although Realty Trac reports that July marked the third time in the last five months that a new record was set for foreclosure activity, Michigan has moved down from the top 10 foreclosure states to 20<sup>th</sup>!

## Market News:

### 7 Tips to help put your dollars to work for you from the FDIC Consumer News:

1. Have an emergency savings account.
2. Try to save money for long-term goals, such as your retirement.
3. Pay yourself first.
4. Start small.
5. Review your existing accounts and comparison shop for the best deals.
6. Turn a debt payment into a deposit.
7. Save, don't spend, a financial "windfall."

For more details, visit [www.fdic.gov/consumers/consumer/news/cnwin0809/tips.html](http://www.fdic.gov/consumers/consumer/news/cnwin0809/tips.html)

### FDIC coverage.

The standard insurance amount of \$250,000 per depositor will remain in effect through Dec. 31, 2013. On Jan. 1, 2014, the standard insurance amount will return to \$100,000 per depositor for all account categories except IRAs and other certain retirement accounts, which will remain at \$250,000 per depositor. This coverage provides additional coverage for escrow accounts in the event a bank suddenly closes its doors. If set up properly, the FDIC will treat each individual escrow as a separate account, allowing the \$250,000.00 maximum coverage for each escrow/each closing.

At  
**Corporate  
Title—**  
We build  
**Relationships,**  
using our  
**Resources**  
to give you  
the best  
**Results!**



## Legislative/Case law Update

As you may know, if a home was built prior to 1978, a seller is mandated to follow certain disclosure requirements regarding the possibility of the presence of lead paint and to give the buyer an opportunity to get a lead inspection. Federal law also mandates that individuals receive certain lead paint information before renovating more than six square feet of painted surfaces in a room for interior projects or more than 20 square feet for exterior projects in housing, child care facilities and schools built prior to 1978.

Beginning in April of 2010, basically anyone who is paid to perform work that disturbs paint in houses, schools and child care (child-occupied) facilities that are built prior to 1978, must be certified or trained and follow specific work practices to prevent lead contamination. Contractors, property managers, and others who perform renovations for compensation in residential homes, apartments and child-occupied facilities built prior to 1978 will be required to distribute a lead pamphlet before starting renovation work. Firms are required to be certified and their employees must be trained in use of lead-safe work practices and to follow lead-safe work practices. Renovation is broadly defined and includes most repair, remodeling and maintenance activities, including window replacement.

Excluded Housing and Activities include:

- Housing for elderly or disabled persons unless children under 6 reside or are expected to reside there.
- Zero-bedroom housing (where the living area is not separated from the sleeping area).
- Housing built in or after 1978.
- Housing/components declared lead-free by a risk assessor or certified inspector.
- Minor repair and replacement activities that disturb 6 square feet or less of paint per room inside or 20 square feet or less of paint on the exterior of a dwelling/building. This would not include window replacement or projects involving demolition or prohibited practices.

For more information call 1-800-424-LEAD or visit [www.epa.gov/lead](http://www.epa.gov/lead).

**Friendly Reminder:** If you change your e-mail address, please let us know so that we can ensure that you receive our e-mails and newsletters in a timely manner. Thank you!

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