

## Online Ground Lease Registry

The Maryland Legislature passed House Bill 580, signed by Governor Martin O'Malley on May 8, 2007, requiring that ground lease holders register their ground rents. All of the new laws will be effective as of October 1, 2007. The legislation requires that the State Department of Assessments and Taxation (SDAT) form an on-line registry of properties subject to ground leases. The on-line registry must be operating no later than September 30, 2010. The new legislation does not apply to property being leased for business, commercial, or industrial purposes or to property improved, or to be improved, by any apartment, condominium, or other building for multifamily use of greater than 4 dwelling units.

Under the new legislation, ground lease holders will be required to fill out a registration form that is currently being de-

signed, but must include the property address and tax identification number, the name and address of the ground lease holder, the name and address of the leasehold tenant, and the payment dates and amounts of the ground rent installments, among other things. The Act sets the registration fee for each ground lease at \$10 for the first ground lease and \$3 for each subsequent ground lease, with the rates gradually rising until each additional ground lease recorded will be \$5 after October 1, 2009.

Once the ground lease holder completes the registration form, it must be sent to SDAT for processing with the appropriate fee for each ground lease. If SDAT is unable to register the request for any reason, SDAT must notify the ground lease holder within 30 days of attempting to process

the registration form of any additional information needed to complete the registration.

After the ground rent registration process is completed, in accordance with the newly signed bill, ground lease holders will have a continuing obligation to notify SDAT of a change in the name or address of the ground lease holder, leasehold tenant, or the person to whom the ground rent payment is sent. The ground lease holder will also have to notify SDAT when a leasehold tenant redeems the rent.

If the ground lease holder does not fulfill these requirements enumerated under the legislation, the reversionary interest of the ground lease holder will be extinguished and the ground lease holder no longer will have an interest in the ground lease. At that time, the leasehold

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## Online Ground Lease Registry *continued*

tenant must apply for a Ground Lease Extinguishment Certificate, which will be issued by SDAT. As soon as the leasehold tenant files this certificate in the land records of the county in which the property is situated, the leasehold tenant is vested with fee simple title, free and clear of any right, title, or interest claimed by the ground lease holder or any creditor liens originating from the ground lease holder's interest in the ground lease. Different rules apply for those ground lease holders who have recovered from a legal disability suffered during the time when the Ground Lease Extinguishment Certificate was filed. Such individuals have an opportunity, in many circumstances, to receive the redemption value of the ground lease from the leasehold tenant, or even reinstate the lease, provided that ground lease holders under a legal disability meet certain criteria.

Although SDAT has not yet revealed the procedures for the ground lease recordation and online registry, SDAT will coordinate with the Maryland State Archives to devise a procedure for the recordation, indexing and linking of registered ground leases. The legislature has set certain benchmarks dates for SDAT to re-

port back to the General Assembly regarding the progress in devising the ground lease registration system and accompanying on-line registry. Updates will continue to follow in this newsletter concerning the implementation of the new laws.

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## CONGRATULATIONS!



**To Eric Schneider and Roberta Parrish Schneider on their recent marriage.**

**To Rick Harvey on his recent marriage.**

**The MLTA sends love and joy to the happy couples.**

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**Congratulations to Old Republic Title Insurance Group as it celebrates its 100<sup>th</sup> Anniversary in 2007.**

## Dixie McMurray Remembered

Dixie Ann Hereth McMurray passed away at Baltimore Washington Medical Center on June 9, 2007 after a sudden illness. She quietly slipped away without regaining consciousness.

Dixie started out nearly 35 years ago as the secretary to Chris Coile, a young upstart real estate broker. She quickly became Chris' indispensable right hand. When Chris and the original Chris Coile & Associates company became part of Merrill Lynch Realty, Dixie went with Chris, commuting three days a week in his car to Bethesda to run the eastern half of the U.S. for Merrill. While Chris drove, she would do paperwork on the drive over and back.

When Chris left for Montana, Dixie took an executive roll at ML, opening offices and handling the details which she was so adept. Finding it a different world than the old Chris Coile company that she had helped build, she started her own brokerage company in the River Reach business center near Cafe Mezzanote in Severna Park. In addition to building a solid brokerage business with an office full of agents, Dixie and her sister, Joan, built up a large and thriving property management portfolio.

In 1987, when Chris wanted to come back and start Champion, Dixie's company became the nu-

cleus of the new company. The very first Champion agents were all Dixie's crew ... well, after Chris' mom, Peg Wallace. Even the first listing of the new company was a good friend of Dixie's. A founding partner in Champion, she jumped into the role of executive vice president. When the first administrative offices were built, she had an office adjoining Chris', with a connecting door.

About five years after Champion opened, the idea came to start up a title company. As no one at Champion knew anything about the title business, Dixie jumped in and took it on, learning on the fly. Within just three short years after she launched Chancellor Title Services, the company was the fifth largest title company in Anne Arundel County and has continued to grow.

As soon as the internet was invented, Dixie had a computer installed at her house so she could work on title settlements from home in the brief times when she wasn't at the office. Champions knew that they could count on Dixie to get their transactions closed and to handle any title issues that came her way, with the help of her tremendous staff, including her right-hand and title attorney, Ed Colice, and her daughter, Lisa.

Dixie loved bowling, spending

time at a beach house in Fenwick Island, DE, and caring for her family and her Yorkies. If you socialized with Dixie, whether at a Champion convention, around Severna Park, or at her place at Ocean City, you know that she had a heart of gold, would give you the shirt off her back, and was a wicked card player. She was also widely regarded as the Soft-Shell Crabbing Queen of the Severn River.

She was married to Ralph MacMurray, who died in 1999. Surviving are daughters, Robin L. Dee of Taneytown, Lisa D. Farmer of Annapolis, and Jennifer Young of Severna Park; and nine grandchildren. She was the sister of Joan Friedel of Millersville.

Dixie was a member of the Board of Realtors and the Maryland Land Title Association. She will be sorely missed by the entire Champion family, and the real estate industry as a whole.

A memorial was held June 23<sup>rd</sup> at Barranco and Sons Severna Park Funeral Home. Burial was private. In lieu of flowers, memorial contributions may be made to Assateague Island National Seashore, 7206 National Seashore Lane, Berlin, MD 21811.

## Education Proposed for 2007-2008

*The MLTA Nuts & Bolts series* has graduated its 2nd class. The 3-part course is getting rave reviews. Classes, scheduled every month, are filling up fast for our next 3-part course ending in October. Those who complete all 3 courses receive a **Certificate of Completion**. Check the MLTA website ([www.MDLTA.com](http://www.MDLTA.com)) for dates and availability.

The Education Committee plans a big year for 2008. We will be providing 4 hours of CE each month from October 2007 – June 2008 spread throughout the state. Most of the courses have been outlined, but have not yet been assigned a topic and/or speakers. The schedule is as follows:

October 2007 - Easton - *Land & Water* - 2 hours of *Surveys* with John Micciche and Sally McCash; 2 hours of *Riparian Rights* with Bill Amrhein  
November 2007 - Montgomery County  
December 2007 - Southern Maryland  
January 2008 - Annapolis Area  
February 2008 - Harford County – 4-hour panel discussion on *Bankruptcies & Foreclosures*  
March 2008 - Frederick County - *Liens* - Mike Schlepner on *Liens, Judgments and Tenancies*; John Gilbert on *Decedents' Estates, Conveyances, and Death Taxes*; *Tax Sales* - speaker to be determined  
April 2008 - Towson Area  
May 2008 - Howard County  
June 2008 - Title Cruise

Topics for 2007-2008 include

1. Land & Water: *Surveys and Riparian Rights*

2. Escrow and Claims:

*Escrow Accounting and Fraud, The Claims Process and Proper HUD- 1 Preparation, Documentation of HUD- 1 Entries, and Disbursements*

3. Title Issues:

*Abstracting and Title Examination, Appraisal Issues, and Out-of-the-Ordinary Titles*

4. Loan Issues:

*Complying With the Terms of the ICL and Lender's Issues Involving Title Insurance*

5. Bankruptcy & Foreclosures:

6. Liens:

*Liens, Judgments, and Tenancies, Tax Sales, Decedants' Estates Conveyances and Death Taxes*

7. Commercial:

*Commercial Documentation, Business Entities, 1031s, and Commercial Closings*

8. Miscellaneous:

*Conveyances, Authorization and Signatures, and How Civil Actions Affect Real Estate Transactions*

9. Ethics:

*Ethical Responsibilities of the Title Agent and Red Flags for the Professional to Look out for in the Title Industry and Fraud & Forgery*

## Title Industry Political Action Committee

The Title Industry Political Action Committee (TIPAC) is the collective voice of the title insurance industry and the official PAC of the American Land Title Association. TIPAC enables us to build and develop relationships with Members of Congress, while educating them about our industry and our concerns, as well as the unique qualities of title insurance. This work is ongoing, as power shifts, new members come, and old friends go.

TIPAC is composed of individuals who work in the title insurance industry and make a personal contribution to TIPAC. Your voice on Capitol Hill is louder and stronger when combined with those of your colleagues. In Congress this Session, ALTA will work on issues such as GSE Reform and Federalization of Insurance, among others.

TIPAC enhances our lobbying efforts in Washington and works to strengthen our industry and workplace. Contributions may be made in the following amounts or in other amounts:

Platinum Club	\$1,000
Chairman's Club	\$750
Gold Club	\$500
President's Club	\$250
Active	\$100
Supporting	\$50

If you would like more information, log on to the American Land Title Association website at [www.alta.org](http://www.alta.org) and click on "TIPAC".

If you'd like to help, and participate in the American political process at the same time, please make check payable to "TIPAC" and return it to the Maryland State TIPAC representative:

Sally Presler McCash, Esquire  
O'Malley, Miles, Nylan & Gilmore, P.A.  
11785 Beltsville Drive, 10<sup>th</sup> Floor  
Calverton, MD 20705

## First Formal Chapter of MLTA in Southern MD

After many years of discussions and final approval of the Board of Directors several years ago, the first Chapter of the Maryland Land Title Association was formed in Southern Maryland. The purpose of organizing Chapters within the state manifested by the mission of the Maryland Land Title Association to promote professionalism and communication throughout the real estate industry. One of the objectives of the MLTA Chapters is to provide information to our members on local issues that may arise with the Clerk's Office, Finance Office, and Assessment Office, as well as on any changes in the local laws effecting local jurisdictions. It is also the mission of the Chapters to bring more members into the Association.

Although it did take several months of planning this year, the first formal meeting of the Southern Maryland Chapter of the Maryland Land Title Association was held on Wednesday, June 22, 2007, at Colony South in Clinton, MD. The Southern Maryland Chapter includes the counties of Prince George's, Charles, Calvert, and St. Mary's. The following individuals attended the initial meeting:

Ginger Bigelow  
Beltway Title  
Multi-Counties

Wanda DeBord  
Maximum Title  
Multi-Counties

Connie Fuksa  
Foote Title Group  
Charles County

Nancy Gasparovic  
Title Professionals, LTD  
Charles County

James Gorney, Esquire  
James J. Gorney, P.C.  
Charles County

Jan Lynch  
First American Title Insurance  
Co.  
Chapter Committee  
Past MLTA President

Mark Lynch, Esquire  
First American Title Insurance  
Co.  
Past MLTA President

Maria McManus  
Evergreen Title  
Prince George's County

Shannon Mofield  
Preferred Title  
Charles County

Lia Norris  
Freedom Title & Escrow  
St. Mary's County

Ted Rogers  
Security Title  
Chapter Committee

Eric Schneider, Esquire  
Fidelity National  
Current MLTA President

Kathy Shumaker  
Bridgeview Title  
Calvert County

Janet Weaver  
Brennan Title  
Prince Fredrick- Calvert  
County

All attendees were queried about which committees they would like to work with. All Committee Chairs were provided a list of the individuals who had indicated an interest in their Committee, and the Chairs were requested to contact the volunteers individually.

The first undertaking by the Southern Maryland Chapter of the Maryland Land Title Association will be the December,

## First Formal Chapter of MLTA in Southern MD

2007, Education Seminar, as planned by the Education Committee. Mark Lynch and Connie Fuksa, as well as other members of the Southern Maryland Chapter, will be coordinating the Seminar. You may contact Mark at [mslynch@firstam.com](mailto:mslynch@firstam.com).

The members of the Chapter voted to meet formally on at least a quarterly basis, as everyone will be working with the main Committees of the Maryland Land Title Association. The next formal meeting of the Southern Maryland Chapter will be held on Wednesday, October 3, 2007, at 8:30 a.m. in the shared conference room of Nancy Gasparovic and James Gorney, Esquire at The Baldus Center, 101 E. Charles Street, Suite 202, LaPlata, MD, 20646. The building is located at the corner of Route 301 and Route 6 in LaPlata, MD.

If you would like to become a member of the Southern Maryland Chapter of the Maryland Land Title Association and your office is located in St. Mary's, Charles, Prince George's, or Calvert county, please contact Jan Lynch, at [jlynch@firstam.com](mailto:jlynch@firstam.com) or Connie Fuksa at [connie@footetitlegroup.com](mailto:connie@footetitlegroup.com).

Membership in the Southern Maryland Chapter of the Maryland Land Title is greatly encouraged!

Jan Lynch and Ted Rogers – Chapter Committee

Jan Lynch, Acting Chair

Connie Fuksa, Co-Chair

Southern Maryland Chapter of the Maryland Land Title Association

### A Committee Member Perspective

The day finally arrived for the first organizational meeting of the Southern Maryland Chapter of MLTA. It has been a dream for some that has actually come to fruition. The breakfast meeting was held at the Colony South Hotel in Camp Springs on June 22, at 8:30 am.

Jan Lynch hand-selected people to get the group started. Jan did a great job, as we all know Jan does, and the synergy of the group was awesome. After an introduction of

the attendees, we discussed the mission of MLTA. We then discussed the purpose and mission of the Southern Maryland Chapter. It was such a good idea to start this Chapter, because there are so many things pertaining only to this area that we need more help with, such as legislative affairs and continuing education. We also grew to realize the friends in the industry that we can call on. Yes, we are all competitors, but we also are all in the same industry, and if we band together, we can get so much done (at least we hope!). We are all excited about this Chapter, and you will be hearing more about us and from us in the very near future.

If you are interested in being a part of the Chapter and you operate in Charles, Calvert, St. Mary's, or Prince George's counties, please join us for our next meeting. It will be held on October 3<sup>rd</sup>, 2007 at 8:30 am at the shared office of Nancy Gasparovic and Jim Gorney, Esq. in La Plata, MD.

*Ginger Bigelow*

*Beltway Title and Abstract, Inc.*

*Tel: 301-261-6600*

*Fax: 301-261-6258*

[www.BeltwayTitle.com](http://www.BeltwayTitle.com)

## Habitat for Humanity

MLTA volunteers assisted Habitat for Humanity/Harford County on July 28<sup>th</sup> to work on 3 projects in Aberdeen. Dixie Construction provided lunch for the project. The project families appreciate the time and work of the volunteers. Michele Blanco (Title Manager, Title Department, Hess, Egan, Hagerty & L'Hommedieu) is the coordinator of the volunteers for the Habitat projects for the MLTA.

The Habitat for Humanity/Harford County Projects for 2007 include the following:

454 Washington Street, Aberdeen

Faithworks 2

Sponsors: Mountain Christian Church, Bel Air Church of the Nazarene, Bel Air United Methodist Church, Oak Grove Baptist Church, St. Mark's Catholic Church, Holy Spirit Catholic Church, St. Margaret's Catholic Church, St. Joan of Arc Catholic Church,

APG Post Road Chapel, Havre de Grace United Methodist Church.

Partner Family: Jeanine Nkurunziza

442 Washington Street, Aberdeen

Thrivent Builds

Sponsors: Thrivent Financial for Lutherans and the Lutheran Churches

Partner Family: Ms. Alberto Barnes

418 Washington Street, Aberdeen

Presbyterian Build III

Sponsors: Presbyterian Churches of Harford County

Partner Family: Gregory and Pearlene Morris

## EDUCATION

MLTA provides a 30-hour, MIA-approved pre-licensing class. For complete information and a registration form, visit [www.MDLTA.com](http://www.MDLTA.com) and click on "Education." Pre-licensing is at the top of the page.

### MLTA 2007 Pre-licensing Course Schedule

Oct 3, 8 2007

Nov 7, 12 2007

### Take Home Courses

MLTA offers several Take Home Courses that are available from our website. Individuals may take up to 8 hours of their required 16 hours in the "take home" format.

To select courses, go to [www.MDLTA.com](http://www.MDLTA.com) and click on "Education." Then, click on "CE/CLE." Take Home Courses are listed there. Submit the registration form and payment. The course will be e-mailed to you. Read the materials and complete the enclosed test. Return the test for credit. You must achieve at least 70% to earn credit. We offer one-hour and two-hour courses.

## ALTA News

### Save \$500 on Your ALTA Dues

Sound too good to be true? It is true; you can save \$500 on your 2008 ALTA dues simply by sending us examples of how your curative work cleared a title defect or saved someone from having to file a claim.

We need these stories to further demonstrate the value of what we do to regulators, legislators, the news media, and others who often measure what we do only by the claims paid, when our true value is in the claims we prevent. Your stories can be examples of specific curative actions you took prior to closing, or problems you took care of after a homeowner moved in. We need them all.

The three companies/people who send in the most stories will receive \$500 off their 2008 ALTA member dues. To submit your stories, look for the box on the right hand side of ALTA's home page ([www.ALTA.org](http://www.ALTA.org)).

The deadline for submission is August 31. Winners will be announced in ALTA's *News You Can Use*, *Title News*, and at the ALTA 100<sup>th</sup> anniversary convention, October 10-13 in Chicago. Ready, set, enter! Questions? Contact Lorri

Ragan at [lorri\\_ragan@alta.org](mailto:lorri_ragan@alta.org) or 800-787-2582 ext. 218.

### Escrow Accounting On Line Course Debuts

A new self study course designed to teach your employees managerial practices to minimize risk when handling escrow funds is now available on line.

Students will learn how fiduciary applies to escrow holders, how to identify the basic elements of internal control, and which steps can limit risks from fraud, forgery, and unauthorized or improper wire transfers. The course also includes a 70+ -page resource guide with pertinent information, including an introduction to Check 21, an introduction to the USA Patriot Act, and sample reconciliation worksheets.

The course, developed by the Land Title Institute, can be taken in approximately two hours. The price for ALTA members is \$75 per student. Non-members pay \$100 per student. To enroll on line, go to [www.alta.org](http://www.alta.org) and click on Land Title Institute on the left hand side.

### House Passes GSE Reform Bill

The House of Representatives passed legislation in late May that would strengthen oversight of Fannie Mae and Freddie Mac; but some provisions of the bill are expected to be the subject of further Senate debate.

The Federal Housing Finance Reform Act of 2007 would create a new federal regulator for Fannie and Freddie, the Federal Housing Finance Agency.

Bush administration officials want the FHFA to have the power to limit Fannie and Freddie's loan portfolios if they are determined to pose a "systemic risk" to the U.S. banking and financial system.

But H.R. 1427 was amended to give the FHFA less leeway to limit the GSEs' loan portfolios. Although the amendment would allow the FHFA to limit the GSEs' holdings, it could do so only if it determined a risk to the companies themselves, allowing for larger portfolios.

That's a sore point with some Republicans. Others are also opposed to a provision of the house bill that would set aside about \$500 million a year for a Fannie and Freddie affordable-housing fund.

## **ALTA News** *continued*

### **International Affiliate Joins ALTA**

The ALTA Board welcomes its first international association as an affiliate member. The Title Insurance Industry Association of Canada, formed in March of this year, was voted in as an affiliate of ALTA.

The purpose of the association is to promote the common interests and concerns of the title insurance industry in Canada, to provide information and education to its members and the public, and to advocate for the betterment of and on behalf of the title insurance industry.

### **Plan Now to Put on Your Hard Hat and Work Clothes**

Work gear will be needed for attendees at ALTA's Annual Convention, October 10-13 in Chicago. Well, for some at least. ALTA is sponsoring a Habitat for Humanity home with the Windy City Habitat for Humanity Chapter. ALTA members will have the opportunity to help with the build on various days during the convention. If you are interested, look for a sign-up sheet in the registration materials for the Annual Convention. Get your work clothes ready!

### **Optional Federal Charter Bill Reintroduced--Title Language Exclusion Added**

Senators Tim Johnson (D-SD) and John Sununu (R-NH) reintroduced the "National Insurance Act of 2007" (S. 40). This bill would create a new federal insurance regulator within the Treasury Department and authorize an optional federal insurance charter for life and property/casualty insurers and agencies.

This year, language was added to the bill that would define title insurance (Section 3 (45)) and create a federal monoline limitation for property/casualty insurers (Section 3 (34)). Although unlikely to move this Congress, should it happen, title insurance would be protected. ALTA remains opposed to a federal insurance charter at this time and belongs to a coalition of insurers, agents, and consumer groups opposed to the creation of a new federal bureaucracy to regulate insurance.

### **Freddie Mac Extends Deadline for Use of ALTA 2006 Loan Policy**

Freddie Mac has extended the date for the mandatory use of the ALTA 2006 Loan Policy, from June 17, 2007 (as was referenced in the April 25, 2007 Single-Family Seller/Service Guide Bulletin) to January 1,

2008. Freddie Mac made the change after learning of delays in operational system development to accommodate the ALTA 2006 Loan Policy in both mortgage banking and title insurance distribution systems.

Freddie Mac strongly encourages title and lender organizations to begin using the new policy now to take advantage of its expanded covered risks, fewer exclusions from coverage, and ease of interpretation. ALTA made suggestions along the lines Freddie Mac has announced after hearing about the delays referenced above.

### **ALTA Sends Letter to HUD and NAIC**

ALTA sent letters to HUD and the NAIC indicating support for the recommendations made in the GAO report on title insurance that was released in April. ALTA generally supports the recommendations for executive action, and looks forward to working with regulators to ensure that any proposal will be amenable to the title industry, and balance the need for regulatory action with the ability of small business members to meet regulatory burdens.

## **Escrow Account Reconciliation: Outsourcing Your Balancing Act**

### **Introduction**

Title agency owners and managers know their daily priority is generating revenue. Production activities are designed to help their businesses realize full potential and keep them on a path of sustainable growth.

Administrative tasks, such as reconciliation activities performed in-house, are non-revenue producing efforts. Accounts reconciliation is also, regrettably, among an agency's most time-consuming and often-neglected functions. Any number of factors — the lack of in-house expertise, personnel shortages, or the laborious nature of the reconciliation task itself — contribute to a history of poor accounting practices that could put a business in crisis.

Whether performed in-house or outsourced, timely and accurate reconciliations protect your business investment, placing you in better control of your business. If your agency's escrow account reconciliations are disregarded too often as resources are allocated to revenue-producing functions, you may want to consider subcontracting these services. Many agency owners and managers are realizing the quality assurance-related savings afforded through outsourcing. Better yet, they are finding that the peace of mind is priceless.

### **A Necessary Evil**

Reconciliation is a necessary task to satisfy requirements of your outside state regulatory agencies and your underwriters. Illegal practices, such as mortgage fraud, have led to increased legislative and regulatory scrutiny of the title and mortgage industries. If you fail to perform timely and accurate reconciliations, your business will bear the full financial impact of any losses arising out of fraudulent transactions against your trust accounts. When a title agency fails an underwriter audit, it has a limited timeframe in which to correct the errors or risk being fined or closed down. Most banks will only reimburse fraudulent transaction claims if the claim is discovered and brought to their attention within 30 to 60 days. Many agencies are not aware of this limitation.

Those agencies that balance their accounts in-house are familiar with the challenges of reconciliation. Bank charges, bank errors, returned items, and changes made at the table or following settlement can make for a frustrating experience. The tedious tasks of clearing checks, wires, deposits, and bank adjustments are time-consuming for many managers whose expertise is often in another area of the business. It's no wonder the task frequently goes undone.

## **Escrow Account Reconciliation** *continued*

### **Weighing the Benefits**

Underwriters and other state regulatory agencies strongly recommend balancing your trust accounts on a regular basis, monthly at a minimum, and preferably, weekly or even daily. Most professional services provide a comprehensive reconciliation of your bank account to the bank statement in addition to what's best known as three-way reconciliation — book to bank, trial balance, and outstanding checks and deposits — as required by your underwriters. By outsourcing this function, your personnel often can spend their time more efficiently and profitably. Your accounts will be kept accurate and up-to-date while allowing you and your staff to focus on other business matters.

### **Leave It to the Experts**

Escrow account reconciliation experts think like auditors. They know what an external auditor will look for during a review. Reconciliation services are typically staffed with title industry accounting experts, professionals with background experience in underwriting, auditing, or quality control disciplines.

Frequently as part of the services offered, these expert consultants will recommend efficiencies to help title companies gain better control of their businesses through timely reconciliations. They also are the ones who provide you with your three-way reconciliation and management reports that ideally should be easy to read and contain all information required for audits.

### **Quality Assurance**

Title agencies need to reconcile all accounts that could contain errors and to post all necessary adjustments in a timely manner, instead of allowing external auditors to identify problems during a review. Escrow account reconciliation services act as a quality assurance measure to identify and then to correct errors in a pre-audit timeframe, substantially reducing escrow losses and alleviating uncertainty and anxiety for the title agency staff.

### **A “Disinterested” Third Party**

Outsourcing your agency's escrow account reconciliations has the benefit of having a neutral set of eyes look at your accounts. An outside expert is likely to notice problems that your staff members will not, either because they are too close to the operation or are fearful of being held responsible for mistakes.

## **Escrow Account Reconciliation *continued***

The involvement of an objective third party is becoming increasingly attractive to underwriters and state auditors for safety and fraud prevention as it eliminates the possibility of internal manipulation of funds. For example, escrow accounting best practices indicate that the person reconciling the account should not be a signer or a disbursing officer on the account. Unfortunately for small agencies, this more or less disqualifies everyone who works there.

### **Cost, Convenience, and Coaching**

For most agencies, hiring a professional service to perform account reconciliations is an affordable solution to the challenges they currently face in this competitive market. As a rule, subscribing to a reconciliation service runs well below the cost of maintaining a full-time person on staff.

For your convenience, most companies offer onsite services at your place of business or remotely, using internet-based access methods. Scheduling usually depends on the availability of your agency's bank statements. Many offer evaluation services of unreconciled escrow accounts on a case-by-case basis to determine if a consultation would be advantageous.

Sometimes, escrow accounting problems result from poor accounting practices or simply from a lack of training or knowledge in escrow accounting procedures. Some reconciliation service companies offer basic and advanced reconciliation classes or webinars to assist your in-house staff with escrow reconciliation concepts, such as fixing out-of-balance errors, researching reconciliation discrepancies, and correcting complex item issues. This type of training should be reserved for staff members who have the acumen and time to devote to solving reconciliation issues.

*Shelly J. Fears, Vice President, Sales and Marketing, TSS Software Corporation, has managed both small and large title companies in addition to serving as claims counsel for a national underwriter. She has held a number of positions with TSS Software Corporation in the past nine years and is currently Vice President of Sales and Marketing for the company. She can be reached at [SFears@iwanttss.com](mailto:SFears@iwanttss.com)*

## Helpful Data and Links

In a round of professional e-mails that floated through an industry platform recently, there was a remark that many "newbies in the profession, as well as old-timers" such as I could use information on relative cases and statutes and computer links. Below is a list of helpful links and cites. As of the date of the writing of this article, the computer Uniform Resource Locates (URLs) are deemed to be accurate

After September 11, 2001, the Federal Government, under the Patriot Act and Presidential Executive Order that followed, made our industry one where there was a mandate for us to confirm if any of the parties in our transaction are on the **Specially Designated Nationals (SDN) List** of the United States Department of the Treasury Office of Foreign Assets Control. Some industry insurers have processes in place to computerize the search. However, in my reading of the Code and Executive Order, the strict liability is for us to use the List. It can be downloaded in Portable Document Format (PDF); then pertinent pages can be printed. (For those of us older than 30, you may remember the books retail stores used to determine if check credit cards were stolen). The link is:

<http://www.treasury.gov/offices/enforcement/ofac/sdn/>.

Since the late 1990s, there has been a push for the computerization of Land Records in the anticipation of e-filing and in consideration for the Clerk's to use modern computer technology for scanning and indexing documents. Even though these are not official records, the Internet **Maryland LAN-DREC** system is a very helpful source as it is a Digital Image Retrieval System for Land Record Indices in Maryland, and is a Joint eGovernment Service of the Maryland Judiciary and the Maryland State Archives. Sign up is required. The link is: <http://ww2.mdlandrec.net>

The Assessment Records for properties located in the State can be found at the **Maryland Department of Assessment and Taxation, Real Property System** website. The location is:

[http://sdatcert3.resiusa.org/rp\\_rewrite/](http://sdatcert3.resiusa.org/rp_rewrite/)

At times, owners of record are entities. Many states have their own corporate charter division with computerized entity information freely available. Much information for Maryland can be found under **Maryland Department of Assessment and Taxation Charter Record Search** website. The location is: <http://sdatcert3.resiusa.org/ucc-charter/>

Many abstractors note exceptions on their reports that there are restrictions "noted on the recorded plat(s)" without listing them specifically. Without debating the sufficiency as to this reporting, for the examiner to find the plats throughout the state, one can go through the LandRec system or directly through the **Maryland State Archives Geographical Services Digital Image Reference System for Land Survey, Subdivision, and Condominium Plats** at the following: <http://plats.net>

Username: plato Password: plato#

## Links continued

Deaths of Owners in the chain of title, both in the recent and early chain, can be problematic for the examiner. Many offices of the Register of Wills for the State of Maryland have death information for Decedents. The Link is: <http://www.registers.state.md.us/>. Montgomery County, Maryland's link is: <http://www.mdprobate.net/sindex.cfm?county=mo&serno=c2499>

I also have found that it is helpful to have evidence of the date of death if no Death Certificate can be found. One place that is helpful is the **Social Security Death Index**. Each underwriter may have its own opinion as to its use as an examining tool; but as an alternative to the Death Certificate copy or Register of Wills information, this free source could be helpful. You can Google to find this index, and there are a number of genealogical research sites that have this. I use this link: <http://ssdi.rootsweb.com/cgi-bin/ssdi.cgi>

Potential federal Bankruptcy filings, nationally and locally, would have an affect on the title to property. Also, the filing of Federal Civil Judgments in favor of the United States in areas where there is a Bankruptcy Court sitting (Baltimore City and Prince George's County) would also have a detrimental effect. As the cost of use is so inexpensive per case, the prudent examiner should run the **PACER System** for current owners and purchaser for each case. PACER is an acronym for the Public Access to Court Electronic Records, which is an electronic public access service that allows users to obtain case and docket information from Federal Appellate, District and Bankruptcy court and from the U.S. Party/Case Index. The link is: [https://pacer.login.uscourts.gov/cgi-bin/login.pl?court\\_id=00idx](https://pacer.login.uscourts.gov/cgi-bin/login.pl?court_id=00idx)

There is a debate as to the effectiveness of property street addresses as part of the description of the property. Many jurisdictions in Maryland use them while others do not. This address is useful for some of the new ALTA products. I find that it is good to include them somewhere close to the formal legal description that comprises the requirements of *Real Property Article §4-101 of the Annotated Code of Maryland*. Some rely on the **Maryland Department of Assessment and Taxation, Real Property System** records or those from the US Postal Service. When there has been a discrepancy, I have always got the response that the street addresses and zip codes are set by the post office and planning departments. Unless there is a discrepancy, I rely on the US Postal Service Zip Code Look-Up site for the information. This site is: <http://zip4.usps.com/zip4/welcome.jsp>

At times, it has been helpful when examining property searches for my Frederick County settlements to use the **Frederick County Street Index**. The site is: <http://www.co.frederick.md.us/SearchRoads/>

Another source of information to get Maryland information is the **Nationwide Environmental Title Research, Online or NETRO** website. That website is: <http://www.netronline.com/frameset.asp?StatelD=22>

## **Links continued**

For actual real estate taxes, many of the County sites are online. Even though not exhaustive, here are links for several jurisdictions:

**Montgomery County** <https://www.montgomerycountymd.gov/apps/tax/index.asp>

### **Prince George's County**

[http://tax-acct-info.co.pg.md.us/servlets/resgportal?rqs\\_custom\\_dir=taxes&rqs\\_cleancache=O](http://tax-acct-info.co.pg.md.us/servlets/resgportal?rqs_custom_dir=taxes&rqs_cleancache=O)

Forms <http://www.co.pg.md.us/Government/AgencyIndex/Finance/forms.asp>

### **Anne Arundel, Calvert, Cecil, Frederick, and Howard**

<http://www.munis.ws/portal/state.asp?cd=md>

(For those Frederick County areas that have special Community Development Assessments, they are on the tax bills; however, if unsure as to their accuracy, you can get information from the servicer:

MuniCap Public Finance

10015 Old Columbia Road, Suite B-215

Columbia, MD 21046

Tel: (410) 290-5935 Fax: (410) 290-7665)

**Baltimore City** <http://cityservices.baltimorecity.gov/realproperty/default.aspx>

**Charles County** <http://www.charlescounty.org/treas/taxes/acctinquiry/selection.jsp>

**Baltimore County** <http://egov2.co.ba.md.us/taxbamd.html>

At times, I have had to calculate tax rates for new homes. The Tax Rates are found on each county's site. I have developed a simple spread sheet to help calculate estimated levy's for improvements, so escrows can be held. You can also. In Prince George's and Montgomery Counties, you may have had to investigate **Washington Suburban Sanitary Commission (Front Foot Benefit Charges)**. Here is the link to investigate these charges:

<http://www.wsscwater.com/service/aow/disclosure.cfm>

At times, if an abstractor reports a case, sometimes dockets of the case may not come. or you might want to investigate a reported case if a gap has occurred and you need current information form a pending case. Here is a link that is not to be considered the official record index for a county, but a

## **Links** *continued*

very useful tool to check out case dockets for both Circuit and District Courts. It is the **Maryland Judiciary Case Search** system: <http://casesearch.courts.state.md.us/inquiry/inquiry-index.jsp>

Although the following is not the full method for doing complete and accurate legal research for an issue, the following may be helpful as a quick starting point. For those of us that have to do some initial legal research and who may be a certified Paralegal or an Attorney, membership in the Maryland State Bar Association and its Real Property Listserv is a helpful tool. There are many additional links there and the **FASTCASE** research site is a tremendous help. For members, the access point is: <http://www.msba.org/members/fastcase.asp>

Also, free Maryland Case Law can be found at the Maryland State Appellate Courts website. Even though it may be difficult at times, if I had a reference on a recently decided case, I easily found it free. The link is: <http://www.courts.state.md.us/opinions.html>

Maryland statutory law can be found at two sites. The first, using phrases to search, is: <http://mgasearch.state.md.us/verity.asp>. The second, if the actual reference is known, is: [http://mlis.state.md.us/cgi-win/web\\_statutes.exe](http://mlis.state.md.us/cgi-win/web_statutes.exe)

In order to get to Maryland Regulations under COMAR, I use this link: <http://www.dsd.state.md.us/comar/>

Many Counties have their Codes on the web. This list is by no means exhaustive. The following are governmental entities that I have used regularly to check recording and tax exemptions or requirements.

**Montgomery County Code:** [http://www.amlegal.com/montgomery\\_county\\_md/](http://www.amlegal.com/montgomery_county_md/)

(Zoning) [http://www.amlegal.com/montgomery\\_county\\_md/](http://www.amlegal.com/montgomery_county_md/)

**Prince George's County Code (Index):**

<http://egov.co.pg.md.us/lis/default.asp?File=&Te=CodeIndex>

**Baltimore City Code:** <http://cityservices.baltimorecity.gov/charterandcodes/>

Unreleased Deeds of Trusts are pesky items, and chasing releases has been a messy and undesirable business. However, to help track entities the following sites have been helpful:

## **Links** *continued*

### **Federal Deposit Insurance Corporation Directory:**

<http://www2.fdic.gov/idasp/main.asp>

<http://www.answers.com/topic/list-of-bank-mergers-in-united-states>

<http://www.ffiec.gov/nicpubweb/nicweb/nichome.aspx>

Sometimes there is a need to obtain information as to **Federal National Mortgage Association (FNMA)** forms. I have had to look at various riders and put together training material using the various forms. For those interested in the site, go to:

<http://www.efanniemae.com/sf/formsdocs/documents/index.jsp>

Recently, obtaining access to **American Land Title Association (ALTA)** Forms proved helpful to me and my IT document provider. For access to the forms site you can go to:

<http://www.alta.org/standards/index.cfm>

A number of times I have had to research an esoteric request for a specific non-ALTA endorsement. Two major sources of other commonly used title endorsements are **California Land Title Association (CLTA)** <http://www.clta.org/> and **Land Title Association of Arizona (LTAA)**.

I have been asked various times for Codes and Statutes and Regulations and Cases that I frequently use or refer to for topics such as document sufficiency, execution and acknowledgment, and tax exemptions among others. Here is a following brief list (as a training tool, try looking up the references and assembling your own book):

### ***Annotated Code of Maryland***

Business & Professional Occupation Article §1 0- 1 0 1 and § 10- 1 0 2

Business & Professional Occupation Article §17-524

Commercial Law §12-120

Constitution Article IV, Section 45.

Corporation & Associations Article §1-303

Courts & Judicial Proceedings Article §5-106 and §5-114

Courts & Judicial Proceedings Article §10-204 and §10-803

Courts & Judicial Proceedings Article §1 1-401 and §1 1-402 and § 1 1-801 and § 1 1-802

Criminal Law §9-101

Estates & Trusts Article §1-2 1 0

Estates & Trusts Article §3-101 to §3-105 and §3-1 10 and §3-202

## **Links continued**

Estates & Trusts Article §4- 1 01

Estates & Trusts Article §7-401

Estates & Trusts Article §9-105

Estates & Trusts Article §10- 105

Estates & Trusts Article §13-601 to § 13-602

Estates & Trusts Article §15-104

Family Law Article §5-328

Family Law §10- 140

Land Use Article 66B §1 and §5.05 and §5.04

Natural Resources §8-1006

Real Property Article §1- 102 and § 1- 103

Real Property Article §2-101

Real Property Article §2-104 to §2-106; §2-108 to §2-1 10; §2-112; §2-115 to §2-117 and §2-122

Real Property Article §3-101 to §3-102 and §3-104 and §3-108 and §3-108.1

Real Property Article §3-202 and §3-203

Real Property Article §3-301 to §3-302 and §3-304

Real Property Article §3-501

Real Property Article §3-601

Real Property Article §4-103 and §4-106 to §4-109 and §4-1 1 1

Real Property Article §4-201 to §4-202 and §4-204

Real Property Article §7-104 and §7-109

Real Property Article §9-102 and §9-104 and §9-105

Real Property Article §8-1 1 0 and §8-402.3

Real Property Article §1 1-106 and §1 1-120

Real Property Article §14-104; §14-112; §14-113; § 14-116 to §14-117; §14-122 and §14-127

Real Property Article §14-201 to §14-206

Rules of Interpretation Article 1 §6; §9; § 11; and §24

State Government Article §18-105 and §18-108 to §18-109 and §18-112 to §18-113

State Government Article §19- 1 01 to §19-105 and §19-107 to §19-1 1 1

State Government Article §19-202 to §19-203 and §19-205

Tax General Article §7-201 and §7-203

Tax General Article §7-302 and §7-308

## **Links continued**

Tax General Article §7-503

Tax General Article §10-101

Tax General Article §10-912

Tax General §13-802 and §13-805 to §13-809

Tax Property Article §12- 1 01 and §12-103 to §12-106 and §12-108 to §12-109 and §12-1 1 0

Tax Property Article §13-101 to §13-102

Tax Property Article §13-202 to §13-204 and §13-206 to §13-208

Tax Property Article §13-301 to §13-305 and §13-308

Tax Property Article §13-401 to §13-402.1 and §13-403 and §13-408

### **Maryland Rules** Section 12-102

#### **United States Code**

1 1 USC 704

1 1 USC 1302 and 1303 and 1306

12 USC 1701j-3

26 USC 2001 and 2010 and 2501

26 USC 6321 through 6324

28 USC 3201

31 USC 5312

#### **Baltimore City Code**

Article 13 §6-1 to §6-10

Article 28 § 16-1 to § 16-2

Article 28 § 17-1 to § 17-16

#### **Montgomery County Code**

Section 52-16B

Section 52-19 to Section 52-24 and Section 52-24C and Section 52-27

#### **Prince George's County Code**

Article 10 Sections 187 to Sections 192

## Links continued

### Regulations

31 CFR 594.202 and 31 CFR 594.202

24 CFR 3500.2; 24 CFR 3500.7; 24 CFR 3500.8; 24 CFR 3500.10; 24 CFR 3500.12; 24 CFR 3500.17 and 24 CFR

3500 Appendices (all).

COMAR 9.13.06.01 to §9:13.06.12

COMAR 09.11.02.01

### Case Law

*Hannan v Hurst* 160 MD 96; 153 A 24; 1931

*Greenpoint v Schlossberg* 390 MD 21 1; 888 A2d 297; 2005

*Watson v. The Calvert Building and Loan Association of Baltimore City* 91 Md. 25; 45 A. 879 1900

*Brewer v. Bowersox*, 92 Md. 567; 48 A. 1060; 1901 as quoted in *State of Maryland v. One 1984 Toyota Truck*, 69Md.App. 235; 517 A.2d 103; 1986

*Young v. Cockman*, 182 MD 246; 34 A2d 428; 1943

*Eastern Shore Building and Loan Corporation v. Bank of Somerset*, 253 Md. 525; 253 A.2d 367; 1969

*Edwin M. Alexander, Adm'r of Estate of Evelyn Virginia Alexander, etc. v. Mehrl T. Boyer, Ex'r under Last Will and Testament of Helen M. Boyer*, 253 Md. 51 1; 253 A.2d 359; 1969

*McManus v Eva Sampson Summers, Administratrix of the Estate of Mary Sampson Smith*; 290 Md. 408; 430 A.2d80; 1981.

*United States v. Craft*, 535 U.S. 274; 2002

*John W. Belt, Clerk of the Circuit Courtfor Prince George's County v. Prince George's County Abstract Company*, 73 Md. 289; 20 A. 982; 1890

*Himmighoefer v. Medallion Industries, Inc.* ,302 Md. 270; 487 A.2d 282; 1985

*Boucher v. Boyer* 301 Md. 679; 484 A.2d 630; 1984.

*Automobile Acceptance Corp. v. Universal C. I. T. Credit Corp.*, 216 Md. 344; 139 A.2d 683; 1958

*Manor Real Estate Company v. The Joseph M. Zamoiski Company.*251 Md. 120; 246 A.2d 240; 1968

*Morris v. Ehlers* 211 Md. 23; 124 A.2d 776; 59 A.L.R.2d 1035; 1956

*King v. Bankerd* 303 Md. 98; 492 A.2d 608; 1985

*Gebhardt Family Investment, L.L. C., et al. v. Nations Title Insurance of New York, Inc.* 752 A.2d 1222; 2000

## Links continued

*Chevy Chase Bank, FSB v. Chaires* 350 Md. 716; 715 A.2d 199; 1998

*Richardson v Makowski et al* Unpublished Court of Special Appeals No. 1343 September 1985

*Corcoran v. Abstract and Title Company of Maryland, Inc;* 217 Md. 633; 143 A.2d 808 1958.

*Long et ux. v Dixon et al* 201 Md. 321; 93 A.2d 758; 1953 quotes *Drury v. State Capital Bank*, 163 Md. 84, 161 A. 176

*Schlosser v. Creamer* 263 Md. 583; 284 A.2d 220; 197 1.

*Rossville Vending Machine Corporation v. Comptroller of the Treasury* 114 Md. App. 346; 689 A.2d 1295, 1997

*Roper v. Camuso* Court of Appeals of Maryland, No. 100 September Term, 2002 Opinion filed: July 30, 2003

*Miller v. Kirkpatrick* Court of Appeals of Maryland, No. 2 September Term, 2003, Opinion filed: October 9, 2003

*Stansbury v. MDR Development, L.L. C.* 390 Md. 476 889 A.2d 403, 2006

*Drolsum v Luzuriaga* 93 Md.App. 1; 611 A.2d 116,1992.

I hope this list of useful links helps all of us in our serving for our clients. This article is drawn from a document drafted by me entitled *Contract of Sale, Insurance Contract and RESPA, Part II, Self Study*, Anchorage Realty Services/William J. Thomas, Derwood MD ©2006, and used herein by permission.

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