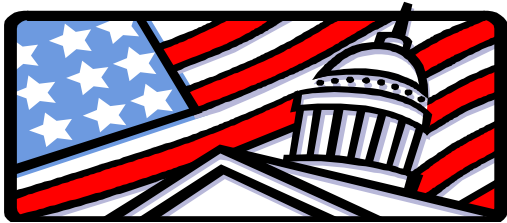


The Reporter

Spring Issue ★ Old Republic National Title Insurance Company, Boston, MA 02108 ★ 2003

OUR DUTY UNDER THE PATRIOT ACT



Executive Order 13224 was issued by George W. Bush on September 23, 2001. The Order blocks property and prohibits transactions with persons who commit, threaten to commit, or support terrorism. As professionals involved in the property transfer process, this is where we get to draw our line in the sand. This message was reinforced by the passage of the USA Patriot Act. The Act requires "financial services organizations" (which appears to include title insurance and real estate attorneys) to implement procedures for matching clients' names against the "Special Designated Nationals and Blocked Persons" list.

The war against terrorism has many fronts. Our marching orders are to be alert to prohibited transactions. Should we encounter a transaction involving a person or entity on the list of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control, our duty is to take action.

Executive Order 13224 contained the original list of blocked persons. That list is being continuously updated by the offices of the Secretary of the Treasury, Secretary of State and Attorney General. Should you settle a transaction involving a person or entity on the list, you may be subject to personal sanctions for violation of Executive Order. This is a duty imposed on the party filling out the HUD-1.

There are web pages available that contain the list. We suggest going to www.ustreas.gov and then clicking **OFAC/SDN List**. Once you pull up the list (in Adobe format), you can use the "find" icon (binoculars) on your tool bar to help you search the list for names in question.

While Old Republic National Title does not impose requirements as to the manner in which our agents and their applicants comply with Executive Order 13224, compliance is mandatory. The Treasury Department is still drafting the regulations for implementing the USA Patriot Act. All should become familiar with the list and run searches on sales or cash out refis to remove any concern.

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ORT Announces Increase in Single Risk Retention Limit



On December 10, 2002, Rande Yeager, President and Chief Executive Officer of Old Republic National Title Insurance Company announced Board of Directors approval of a \$100,000,000 single risk retention limit. The retention limit is the amount of insurance a company will hold without obtaining reinsurance with another title insurance company. This increase to \$100 million is the first since going to \$25 million in 1994.

In the announcement, President Yeager stated: "Our old limit presented barriers for our owned and agency operations in the commercial marketplace. I am certain that the increased limit along with the experience, knowledge and capabilities of employees and agents of the Old Republic Title Insurance Group will enhance our success in the high liability market."

There is no change in the approval procedure for excess risk commitments regarding our agents. Any requests submitted to the Boston Office for between \$25 million and our new single risk retention limit of \$100 million shall also be reviewed by our Reinsurance Administrator in our Minneapolis Home Office where we will send the commitment for retention approval up to our \$100 million limit.



PATRIOT ACT (continued)

Should you encounter any transactions involving suspected names on the Blocked Persons list, you should contact the OFAC for guidance at: Office of Foreign Asset Control, U.S. Department of Treasury, Washington, D.C. 20220. HOTLINE: 800-540-6322; FAX: 202-622-1657.



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A FREE GIFT IS JUST A CLICK AWAY! VISIT WWW.ORTBOSTON.COM TO CLAIM YOURS!

New Law Ends Need to Record Most Real Estate Trusts



A new law effective in January of this year eliminates the requirement of recording trusts. This new legislation, Chapter 508 of the Laws of 2002, brings Massachusetts practice in line with all other states in the nation. Prior to the amendment, the statute required that a trust had to be recorded before it could take title to realty. Failure to record a trust created an indefinite reference. Under the new law, when property is conveyed to or held in the name of a trust, only a trustee's certificate needs to be recorded.

Specifically, the legislation amends Chapter 184 of the Massachusetts General Laws by adding a new Section 35. This section provides that, despite the provisions of the Section 25 (the indefinite reference statute), a good faith purchaser may rely on a trustee's certificate as to the identity of the trustees or beneficiaries, the authority of the trust to act or other facts germane to the affairs of the trust. Further, the new law amends Section 2 of chapter 203. The old Section 2 had provided that a trust concerning land had to be recorded in the Registry of Deeds or Land Court Registry District in order to impart notice of the trust. The amended Section 2 provides that either the recording of the trust or the recording of a certificate conforming to the requirements of the new Section 35 of Chapter 184 shall impart notice.

Taken together, these two changes in the statutes effectively eliminate the need to record a trust in most situations. A problem could arise because the statute states that the certificate is to be signed by a trustee "of record". What happens in the case where the trustee named in a deed dies or becomes unable or unwilling to serve? Without the trust on record, there is no way of determining how a successor trustee can be appointed. A stranger to the title signing a certificate and claiming to be new trustee would not meet the requirements of the statute. This problem will surely arise in the not too distant future.

In light of the foregoing, it seems likely that very few trusts will now be recorded. Given the recent increase in Registry fees raising the cost of recording a trust to \$275, there seems to be little reason to incur this expense in light of this new legislation. By simplifying the procedure for a trust to hold title in most transactions, the new legislation offers welcome relief for conveyancers.

NEWSWORTHY!

Bill Patsos, one of our agency representatives, is participating in a two-day 150-mile bicycle ride from Quincy to Provincetown to benefit the National Multiple Sclerosis Society. The ride will take place on June 21 and 22. Old Republic Title is proud to be a corporate sponsor of "Team Everest" (Bill's team). If you'd like the opportunity to make a donation, go on-line at www.nationalmssociety.org, then select EPLEDGE, or contact Bill – 800-370-6466 or wpatsos@oldrepmat.com.

A WORD ABOUT RATINGS....

Old Republic National Title Insurance Company is one of the nation's largest title insurance companies with assets in excess of \$328 million.

Established in 1907, Minneapolis-based Old Republic Title operates in 48 states, the District of Columbia and Puerto Rico through a network of company-owned offices, authorized agents and approved attorneys.

The Old Republic Title Insurers were the first insurers to have received financial ratings:

Standard & Poor's:	AA-
Moody's Investor's Service:	A1
Demotech:	A"
Fitch:	AA-

Known nationwide for its responsiveness, innovation, professionalism and financial strength, Old Republic Title has the resources you need to handle your toughest title problem.



Employee Spotlight – "Orti"



Old Republic Title would like to introduce the newest member of our team. His name is Orti and he is sure to be a fast-rising star in the title insurance industry.

Orti's main responsibility is to act as a mascot. But, he is much more than a symbolic figure. We believe Orti will have a meteoric rise in popularity with our agents and customers. With his luminous smile, twinkling personality and celestial body, he inspires and motivates.

Born and raised in Brighton, Orti now resides in the Five Points section of Gloucester. He attended Albright College in Reading, PA, where he received a degree in communications and was a superstar on the track team.

In his spare time, Orti enjoys hanging around at night. He also enjoys movies – some of his favorites include "Star Wars", "A Star is Born" and "Star Trek V".

We hope you have an opportunity to meet Orti soon!

