



TITLE TALK

Old Republic National Title Insurance Company

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Visit Us On The Web...www.OldRepublicTitle.com/PA

Seller's no Longer Permitted to Take Back a Mortgage

We thought you should be aware that there have been changes made to the Mortgage Licensing Act (the "Act") over the last several years. While it is not a title issue as such, these changes may impact how parties do business in your area. These changes have not been widely publicized and received little comment from the real estate industry.

Of particular interest to our industry is the removal of an exemption to the licensing requirement for persons making three or fewer residential loans in a calendar year. When this exception to the licensing requirement was removed, it was replaced with a very limited exception for the giving of a mortgage to an immediate family member. As you can imagine this is having an impact on the ability builders and other sellers to provide financing on properties that they wish to sell.

The practical effect of this change is that a seller can no longer take back a mortgage on the sale of the seller's residential property unless the seller is a licensed Mortgage Loan Originator under the Act and the business entity that supervises the Mortgage Loan Originator is licensed as a mortgage broker, correspondent, or banker. It does not appear that the Act has any effect on the giving of an installment sales agreement. However, the purchaser cannot take title to the property and pledge it to the seller as collateral during the term of the installment sales agreement.

It should be noted that the Act only covers residential real estate and does not include commercial loans. There may be an issue, however, with mixed-use property or 1-4 family residences where the buyer lives in the property as his or her residence in addition to renting out other spaces. The penalties for violation of the licensing requirements provided for in the Act are fines up to \$10,000 for each violation and felony criminal prosecution.

The result of these changes may be that you will see more installment sales agreements or rent to own agreements. If you are asked to insure an installment sales agreement between individuals (as opposed to an industrial development authority) or a rent to own agreement, please be sure to carefully review the requirements in our agency manual or contact

Register Today for one of our 3 CE/CLE Credit Agents' Seminars

October 3 - Camp Hill

October 10 - Wilkes-Barre

Visit our For the Agent page on oldrepublictitle.com/pa site for a registration form and details or register directly at

www.plta.org

Three Glenhardie Corporate Center • 1265 Drummers Lane, Suite 220 • Wayne, Pennsylvania 19087 • 610-687-8020
800-842-2080 • FAX 610-687-6056

Calder Square • PO Box 10326 • State College, Pennsylvania • 16805 • 814-238-3600 • FAX 814-238-3604

790 Holiday Drive, Pittsburgh, Pennsylvania 15220 • 877-596-1260 • FAX 412-921-6417

GIVE ME TWO CLICKS

By Phillip Brizendine, Tennessee Agency Coordinator

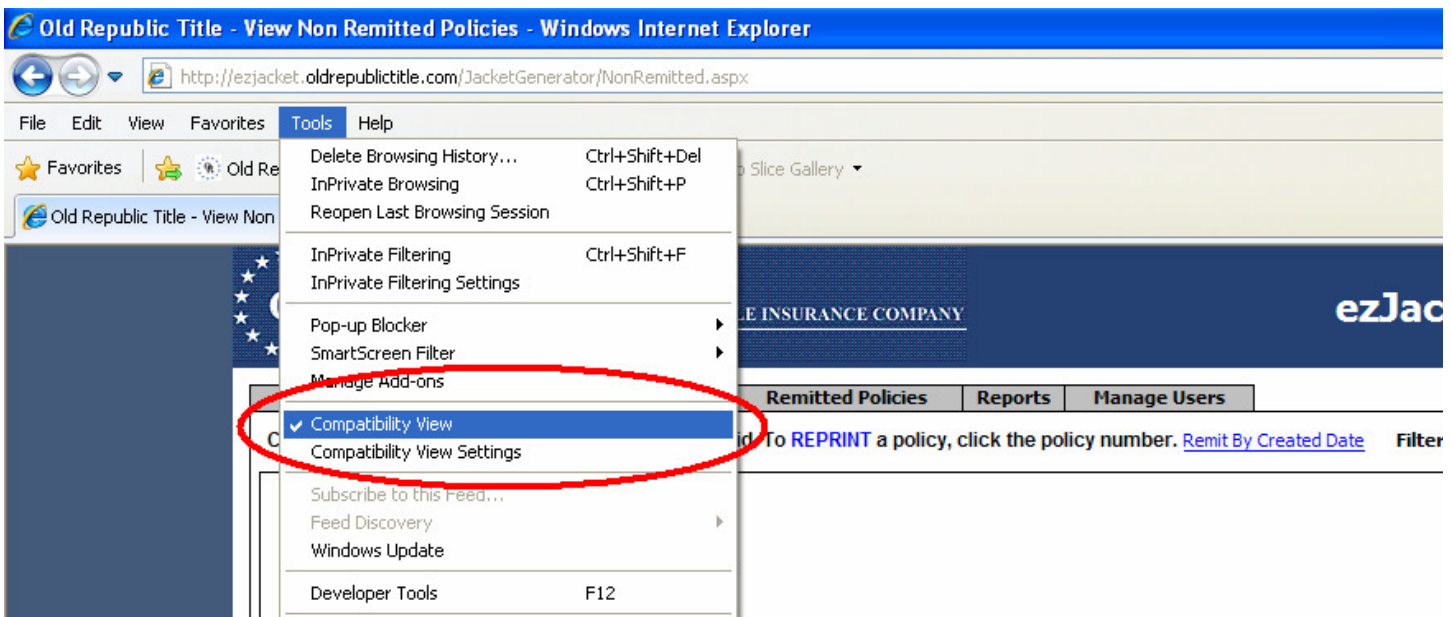
It's the end of the day on a Friday and you're sitting in front of your computer trying desperately to finish your policy report so you can go home and begin the weekend. You have StarsLink pulled up and a huge stack of policies sitting in front of you, and you've just checked the last policy you want to report. Finally! Now all that's left is to hit the "Remit Selected Policies" button. So you do... only to find that the page refreshes, all of the policies you've chosen are still sitting in the Non Remitted Policies tab, and, best of all, are no longer checked. You feel your stomach churn a little.

Maybe you just hit the wrong button, you think, or the computer is acting up. So you go back through, selecting all of those policies all over again. And you hit the "Remit Selected Policies" button again. The page refreshes, the policies are still in the Non Remitted Policies tab, and you are going to have to go back through and check each of them. Again. You briefly consider smashing your keyboard into the monitor, but realize you'll be stuck in the office even longer if you have to pick the alphabet up off your desk.

I have had many calls from agents having this problem lately. This issue typically applies to those who have recently updated their Internet Explorer to Versions 8.0 or 9.0 and has to do with a setting called Compatibility View. The fix is so simple that it can be done in two clicks.

While in the StarsLink website, choose the Tools dropdown. (If your Internet Explorer does not show the Toolbar as shown below, you can press the "Alt" key to have it temporarily displayed.)

Next, make sure the Compatibility View option has a check mark next to it. If it doesn't, click the option.



And that's it. You should no longer have any problems with trying to remit your policies. This also resolves other various issues that users may be having with ezJacket or the rate calculator, so I would encourage you to try this if you're having problems and have recently upgraded your Internet Explorer.



The Wayne, PA office of Old Republic Title is moving down the street at the end of October. Our new address is:
1200 Liberty Ridge Drive
Suite 100
Wayne, PA 19087

Unfortunately, our phone number is changing. We will email our complete updated information along with our move details in October.

Did you Know you can Charge for THAT?!

Many agents are probably not overly familiar with Section 2.3 of the Pennsylvania Rate Manual which defines the additional charges an agent may impose on a transaction that contains “difficult title matters.” Let’s take a look at the examples listed:

- Multiple chains of title – the land being encumbered is multiple parcels with different chains of title and the searcher needs to research all the chains in order to provide a complete search.
- Land under water – that which is normally under water (not just as a temporary result of Hurricane Irene)
- Coal
- Oil
- Gas or mineral searches
- Railroad property searches
- Land in beds of streets
- Rights of way – this doesn’t mean that the property has a right of way on it. Rather you’re insuring the actual right of way.
- Driveways – typically a shared drive or one that crosses through property to access the property to be insured.
- Foreclosures
- Tax sales

- Proceedings under federal bankruptcy or state insolvency related statutes
- Those involving other unusual difficulties or unusual expenditures – for example, those files that require more than three bringdown searches, etc.

What’s the catch?

The charge must be reasonable. If you’re not sure what “reasonable” is, contact our underwriting department and they can provide you some guidance.

You must complete a “Special Charges Report” and submit it with your policy remittance. The report should be submitted monthly and include all files for which you made a special charge. A copy of this report can be found on our Specific PA Forms page located at: <http://www.oldrepublictitle.com/orstarslink/resources/offices/pennsylvania/underwriting2/Forms/index.asp>

Still have questions? Contact [Steve Gratman](#), [Bill Corrigan](#) or [Paula Mack](#) – they can provide you further assistance.

Safeguards to Risks Associated with Smart Phone Check Deposits

The goal of mobile technology is to make life more convenient for the customer.

However, as we have recently seen with a well-publicized event in Florida, it also creates an opportunity for potential fraud against members of the land title industry.

A couple in Florida reportedly received a check at closing, but returned to the closer’s office later, returned the check and asked the closer to wire their closing proceeds to their bank account instead. Unbeknownst to the closer, the couple reportedly had an account with a bank which offered a downloadable application, usable with certain smart phones, which allow the customer to take a picture of the front and back of the check and deposit it into their account using the smart phone.

This technology is not widely used at this time, but we feel it is important to make you aware of it and to offer suggestions to avoid falling victim to potential fraud arising from it. Most banks which do currently offer this feature impose limitations on its use (eg., \$1000 per check, \$3000 during a normal monthly banking cycle) and have extended holds on checks deposited via smart phone. The limits and restrictions currently in place for deposits made using a smart phone render the chance of a significant loss resulting from this type of fraud minimal. There are, however, certain steps that can be taken to further limit the risk associated with this type of fraud. Some examples include:


- Be aware that this form of fraud exists.
- As in any scenario, use caution when disbursing by wire transfer.
- Use positive pay. Positive pay, if working effectively, is still an excellent way to combat this fraud. Make sure all voids are being processed with the regular positive pay issue files and make sure all exceptions are being addressed within the specified timeframe.
- Reconcile your bank accounts daily. The quicker your bank is notified of a fraud, the better your chances of getting your money back should you experience a loss.
- Place a stop payment on the initial check. Once you verify that the check has not been presented against your bank account and you have verified the stop payment is in place, you can reissue.



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