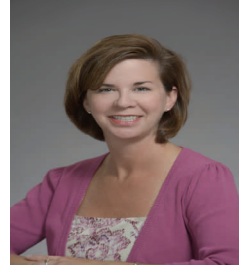




GOOSE NEWS

The SCDOI Letter Says What???

The Legal Corner: By Teri Callen Stomski, Esq.



Inside this issue:

| | |
|--|----------|
| The Legal Corner: The SDDOI Letter Says What??? | 1 |
| 2011 ALTA/ACSM Survey Standards | 2 |
| 2010-2011 Claims Summary | 3 |
| The Audit Angle | 4 |
| iUniversity 2011 Training Calendar | 5 |
| Agent Corner | 6 |
| Goose's Beak | 6 |

Having been born in an odd-numbered year (never mind which one), I recently received a long letter from the SC Department of Insurance with a subject line of "Producer License Renewal and Continuing Education Compliance Requirements." My first thought was, "Oh yea, this is one of those letters sent in error to limited lines producers (title agents) telling us we have to take CE courses"- even though SCDOI has repeatedly told us that limited lines producers do NOT have to get CE hours.

I almost "filed" the letter in my circular filing system, a.k.a. trashcan, before looking at the back of the letter and noticing a full page of "how to renew" instructions. Then it hit me - I may not have to take the CE courses but this letter is not just about the CE credits. I read further to find out that if I do not "renew" my license by the end of July (my birth month), my license will lapse, which could result in fines, penalties and even having to take the title exam again!

Here is the rundown of the most important facts regarding renewal:

- Title companies do not handle this renewal for agents- they pay a different renewal on your behalf.
- If you were born in an odd-numbered year, you will renew this year (since 2011 is odd-numbered) and every subsequent odd-numbered year.
- If you were born in an even-numbered year, you will renew in 2012 and every subsequent even-numbered year.
- You must renew your license by the last day of your birth month.

-If your license lapses, you cannot conduct any business of insurance, which means you cannot issue title commitments or policies while your license is lapsed.

-If you issue title insurance while your license is lapsed, you (and your underwriter) will be fined and you can even have your license taken away.

THEREFORE, as a result of these stiff penalties, ITIC is instituting the following process on SCDOI renewals, effective immediately:

- 1.ITIC will contact you in writing at the beginning of your birth month in the year you renew with a reminder that you must renew by the end of the month.
2. Every agent must forward a printed confirmation from SCDOI showing his/her renewal by the last day of the agent's birth month to ITIC.
- 3.If the printed confirmation is not received before the last day of the agent's birth month, ITIC will call or come to you requesting written confirmation of renewal.
- 4.If written confirmation of renewal is not received by ITIC by Midnight on the last day of the agent's birth month in the reporting year, the agent will be terminated with SCDOI by ITIC.

The most important thing I got out of this letter is that the DOI is not playing around on this one. If you "circular file" this letter, the renewal requirement will not just go away and the next letter you get from SCDOI could be the one saying you cannot issue title insurance any longer....



Who would you give your money to?

Did you know that "there is currently no federal or South Carolina regulation of the qualified intermediary profession" and as a result, "almost anyone can serve as a QI."

"An institutional qualified intermediary can provide safeguards that an individual qualified intermediary cannot."

To read more, click below to access Anna Gregory Wagoner's article and find out *How to Choose a Qualified Intermediary.*

Click [Here](#).

2011 ALTA/ACSM Survey Standards

By: Graydon V. Olive III, Esq.



What is an ALTA survey and how does it differ from a “regular” survey?

An ALTA Land Survey guarantees to meet the requirements for an ALTA/ACSM Land Title Survey as detailed by the American Land Title Association, National Society of Professional Surveyors and the American Congress on Surveying and Mapping. The goal of the ALTA survey is to promote nationwide uniformity. The ALTA survey is typically prepared for commercial properties and shows property lines, improvements, rights-of-way, easements (e.g. public utilities, roadway access), and other elements that impact the ownership of land (e.g. fences, trails, roads, utility lines).

In South Carolina, the typical survey received for a residential survey is a Class B survey. Survey standards for non-ALTA surveys are governed by SC Code of Regulations Chapter 49. While many of the characteristics of the Class B survey are the same as the ALTA survey, the ALTA survey is usually more detailed, contains certifications to the lender, owner and title insurance company, and addresses title commitment exceptions on the survey.

Investors Title has developed a survey course which addresses types of survey, survey issues and gives some real examples of underwriting issues encountered as a result of examination of surveys. Please watch the newsletter for dates of training seminars.

The 2011 revised standards for ALTA/ACSM Surveys became effective February 23, 2011. Most of the changes are technical in nature and are of interest to surveyors only. However, a couple of changes should be noted:

There will now be a uniform certification on all ALTA surveys which will include the date the survey was completed. The new standards also require the surveyor to show the widths of easements on the survey and describe whether they are plottable or observed and whether they affect the property or are blanket in nature.

How will the changes affect you?

Probably the most important change for attorneys and paralegals is that the attorney will be required to provide zoning classification information to the surveyor. Because lenders will require zoning endorsements in most cases where they require ALTA surveys, care should be taken when obtaining zoning classification information. Getting the correct information is, of course, easier said than done, depending on the county or city where the property is located. Some counties and cities will not issue zoning certification letters.

For Richland County, the recent cases of *Quail Hill, LLC v. County of Richland* and *Richland County v. Carolina Chloride, Inc.* show that owners of property cannot obtain relief against the county even when county officials gave erroneous information about zoning that was relied upon by the owners. By ordinance, the zoning map and the zoning administrator are the only official sources of reliable zoning information.

You should acquaint yourself with your city and county “official sources” before providing zoning information to the surveyor and underwriting the zoning endorsements.

Looking for a previous issue of **Goose News**?



Issues from 2009 and 2010 are located on the Training Courses page of the South Carolina Investors Title Insurance Company site.

Click [here](#) to go directly to the Training Courses page.

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**Investors Title
announces
Online Registration
for all live training events!**

[Click here](#) to visit the SC Training Courses Page for a description of all iUniversity courses and to register to attend any of the courses being offered this quarter.

For additional information, see **Page 5.**

Investors Title Insurance Company

ITC understands the value of relationships, and that the strength of one supports the strength of all.

ITC believes that becoming a leader does not depend solely on size.

ITC believes that as a team operating together intelligently and efficiently, we are able to reach distances that would not have otherwise been possible.

ITC has the innovative ability to adapt in anticipation of cycles while we take strategic advantage of the inevitable highs and lows.

ITC claims staff are knowledgeable, experienced, and understand that the claims process not only reflects on the Company, but also on its partners.

ITC is committed to meeting the insured's needs in a timely, compliant, and thorough manner, and its financial stability allows us to do so.

ITC has a proven track record with providing unwavering support to its partners, valuable expertise to those who play in the real estate transaction, and unparalleled service to its insured parties.



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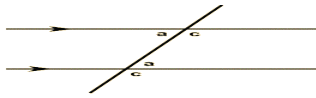
“Developing Solutions to Grow Your Bottom Line”

2010-2011 Claims Summary

A review of claims filed over the last 14 months shows some common reasons for claims being filed. Here is a summary of the reasons claims were filed:

| | |
|------------------------------------|-----|
| Prior unsatisfied mortgage: | 29% |
| Bad plat reference or description: | 20% |
| Improper executions in chain: | 12% |
| Prior judgment or tax lien: | 12% |
| Possible outstanding interests: | 7% |
| Mobile home not de-titled | 7% |
| Lack of access: | 6% |
| Encroachments: | 3% |
| Miscellaneous claims: | 10% |

Have you taken advantage of our underwriting seminars lately? We have some courses that address these issues. Underwriting ITIC Style, Matters of Survey and Title Examination and Reporting may be of interest to you. Please consult the training schedule for the next training dates.



The Audit Angle

This quarter's Audit Angle focuses on two common misunderstandings noted during underwriting reviews. Let's see if you are doing it right.

Minimum Search Periods

Residential Property - 40 years

Commercial Property - 60 years

To comply with company requirements, you must search at least the minimum period as noted above.

Updates on Title on Pending Closings

Delays on loan closings can range from a few days to a few months. In these cases, it is important to know when you need to update your title search.

After what period of time should you update your title search on pending closings?

30 days

These are just a couple reminders to help make sure you are closing the gap on risk!

The Death of Seller Financing??

The SC SAFE Act says that anyone negotiating a mortgage loan or acting as a mortgage broker must be licensed or exempt under the Act. Primary exemptions include when the loan is on a person's primary residence or the mortgage loan is negotiated by an immediate family member. Attorneys *may* be exempt as long as the negotiations are ancillary to the attorney's representation of the client and the attorney is not compensated for the negotiation. For more info, please call the SC Office.

The Investors Title South Carolina Supplement has been updated!

[Click here](#) to view the SC Supplement within our online Library.



**Don't want to mail copies
of your policies?**

Want to save on postage?

You can remit your policies electronically by emailing your schedules and iJacket Manager Remittance Report to titlereport@invtitle.com. Premium checks must still be mailed, but will result in significantly less postage costs.

This email address should also be used for any correspondence regarding remittances, agent statements, or notification of iJacket file cancellations.



2011 Training Calendar 2nd Quarter

| Course | CLE/CE Hours | Scheduled Times | Location | Dates Offered |
|---------------------------------|--------------|-----------------|--------------|----------------------------|
| SoftPro | 5.5 | 9am to 4pm | State Office | April 14th |
| Underwriting: ITIC Style | 4 | 10am to 3pm | State Office | April 20th |
| Condominium Conundrum | 2 | 10am to Noon | State Office | April 21st |
| Title Examination and Reporting | 2 | 10am to Noon | State Office | June 2nd |
| SoftPro | 5.5 | 9am to 4pm | State Office | June 7th |
| Underwriting: ITIC Style | 4 | 10am to 3pm | State Office | June 9th |
| Keeping the Trust | 3 (Ethics) | 9am to Noon | State Office | June 15th |

Seating is limited. Please register early by calling the State Office at 800-732-8005 or email southcarolina@invtitle.com.

Title Talks:

Fixture Filings-*available until 5-14-2011:*

<https://www1.gotomeeting.com/register/614767168>

Policy Jackets-*available until 6-25-2011:*

<https://www1.gotomeeting.com/register/724708057>

Deeds of Trust/Mortgage-*available until 8-6-2011:*

<https://www1.gotomeeting.com/register/789344864>

Chain of Title-*available until 02-01-2012:*

<https://www1.gotomeeting.com/register/400536192>

Short Form Policy and Addendum-*available until 03-07-2012:*

<https://www1.gotomeeting.com/register/346247680>

SC Bar CLE's - Distance Learning:

Access & Easements: You CAN Get There From Here - Teri Callen Stomski- 1.0 hrs CLE

ALTA Title Insurance Jackets: 2006 and Beyond - Teri Callen Stomski 1.0 hrs CLE

Condo Development 101 -ITIC 2009 Annual Seminar -1.0 hrs CLE

Curing Title Problems -Teri Callen Stomski -2.0 hrs CLE

Real Estate Case Law & Legislative Update -Teri Callen Stomski -1.0 hrs CLE

RESPA Reform: What is it and How Will it Impact You? - Mike Aiken, ITIC - 1.8 hrs. CLE

2009 Real Estate Ethics Update - 5hrs Ethics CLE

Course Descriptions

Underwriting: ITIC Style- This course was designed with the novice underwriter in mind, and it has proven to be a great refresher for even the most seasoned real estate attorney. This course provides an intermediate understanding of the Title Insurance process and underwriting. CLE Credit Hours 4

SoftPro-This course is designed for the beginning SoftPro user or those desiring to refresh their skill. ProForm, ProTrust and Pro1099 are covered in this class. CLE Credit Hours 6

Title Examination and Reporting-This course will provide an understanding of the basic elements of the title examination process, including how to get started and preparing a title report. This course will also examine various documents an abstractor, attorney or paralegal might encounter in conducting or reviewing the exam. CLE Credit Hours 2

Condominium Conundrum-This course examines the statutes creating the horizontal property regime and provides guidance for attorneys and paralegals involved in creating a condominium regime or closing a condominium transaction. CLE Credit Hours

Keeping the Trust-This course will provide a comprehensive understanding of the guidelines put in place by the SC Judicial Department and the SC Bar regarding how client funds are to be maintained, accounted for and distributed from trust accounts. This course will also review the process of performing monthly three-way reconciliations. CLE Credit Hours 3 Ethics

Title Talk Webinars-Great for a brown bag "lunch and learn" day. Title Talk webinars are one hour trainings resulting from claim activities, current market issues and agent demand. Please contact Investors Title Insurance Company for a list of available Title Talk webinars. Non CLE Credit Hours

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ITIC Agent Corner

You Ask.....We Answer!

Question:

In the past, most real estate paralegals did not deal with foreclosure/short sale issues very often, although that is changing quickly now. As a RE paralegals are not often involved in litigation, the processes of such are a little frightening to the uninformed. Does Investors have a checklist for such closings that address the process, red flag warning areas, the introduction of a bankruptcy into a foreclosure action, etc?

Answer:

Here are a few things to keep in mind when dealing with short sales, foreclosures or bankruptcy.

- Obtain a written payoff letter from the existing lender stating the reduced amount the existing lender will accept for a full satisfaction of the loan, as well as any written agreements between the seller and existing lender which set forth the terms of the short sale.
- If foreclosure proceedings have been instituted, obtain written confirmation from the foreclosure attorney that the foreclosure action will be dismissed and the *lis pendens* will be discharged upon payment of the amount stated in the "short" payoff letter. If the seller and existing lender have a written agreement describing the terms of the short sale payoff, obtain it and review it for compliance.
- Many short sale transactions are contingent upon the seller not receiving any proceeds at closing. Therefore, all payments, whether made at or outside of closing, must be disclosed on the HUD-1 Settlement Statement. Prior to closing, get both the new lender's and the existing lender's written approval of the final HUD-1 Settlement Statement.

- Junior mortgages and other liens must remain as exceptions, unless you receive suitable documentation from the junior mortgagee/lienor describing the disposition of such mortgages/liens.
- A foreclosure does not terminate junior lienholders for:
 1. Judgments docketed before the deed of trust went of record;
 2. Judgments arising from liens on the property asserting priority before deed of trust as in the case of a mechanic's lien which may be recorded after a deed of trust but which asserts a lien priority dating back to before the deed of trust;
 3. Judgments docketed after foreclosure of the deed of trust is completed.
- If the seller is in bankruptcy, a motion to lift the automatic stay allowing the lender to proceed with a foreclosure is not sufficient to authorize a short sale transaction. In order to proceed with a short sale transaction in these circumstances, you must obtain an order that is specific to the contemplated short sale transaction or an order of dismissal or discharge of the bankruptcy proceeding.
- Following the closing, promptly obtain and record satisfactions/releases for all mortgages/liens.

To view this information in printable form, [click here](#).



From the Goose's Beak

- Is your Affidavit Regarding Liens printing strange symbols? Call the SC office to have a corrected Merge Doc emailed to you. A corrected Ready Doc will be included in the next forms update.
- Didn't get the last newsletter? It could be going to your Junk Email folder or blocked completely. Add cwells@invtitle.com to your address book to ensure our newsletter is delivered to you.
- Use SoftPro's "hot spots" which are links to your ProForm data file. By double-clicking on a "hot spot", the cursor jumps to the corresponding field in your ProForm file.
- Use SoftPro's Go To feature, which allows you to quickly jump or "go to" a specific field on any screen in your ProForm file. By clicking CTRL+G, you can view what fields are currently in your Go To list or insert/ delete fields from your Go To list.