



Carolina Update

NCLTA's Exclusive Report to its Members

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President's Message

by Chris Burti



It is time again to sit down at the keyboard (whatever happened to 'pen in hand?') and dutifully compose a quarterly missive to our membership. Much has occurred since the last issue of this newsletter.

One such occurrence was a meeting with Jim Long, North Carolina's Commissioner of Insurance. At this meeting, we were in the pleasant position of being there to improve channels of communication and discuss current trends in the industry rather than being there to seek help in reaction to a specific problem. It is encouraging to report that Commissioner Long is attentive to the developments in the Title Industry and very supportive of maintaining the existing protections for the consumer that have served our State so well for so long. We left the meeting with a plan in place to provide for regular meetings with the Commissioner's office by our organization. This will serve the purposes of improving communications, keeping abreast of developments, and cooperation in preventing pseudo-title products that do not protect consumers from escaping scrutiny.

Convention Chair, Bryan Rosenberg has been striving mightily to assemble a program for our annual convention at

Williamsburg with topics and speakers that all members will find highly interesting. Early indications are that this year's program will be one that will be regretted if missed. (See related article on page 3.)

Our Legislative Committee has been working on a long list of legislative proposals to address real property issues. We have employed Anne Winner as a lobbyist and have great expectations of achieving significant success as well as being positioned to be aware of any undesirable developments. Two bills have been introduced with our input; House Bill 393 (Modify County Tax Certification Authority), which would amend NCGS 161-31(a) to provide an attorney's exception to the requirement for payment of all delinquent taxes prior to recording in any applicable county; and, House Bill 394 (Clarify Legal Filing Law) which is intended to validate legal actions occurring on holidays where the Clerk's office is open. Some technical amendments will be required due to practical realities, but this should be good legislation. Proposals for a revision of the Future Advance statutes, dealing with simultaneous recording and providing certainty with respect to subordination, are almost ready for submission.

Thanks to all of you who have contributed time and effort to the activities of your North Carolina Land Title Association.

Property Records Industry Joint Task Force

Carolina Update is the official publication of the North Carolina Land Title Association. It is distributed quarterly to title insurance company members, attorney members, and other persons interested in the title insurance industry. Readers are encouraged to submit articles to the newsletter. The opinions and statements of guest writers do not necessarily reflect the policies or opinions of NCLTA.

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The task force, which was originally comprised of members from the Real Property Section, NCLTA, and the NC Association of Registers of Deeds, has now been joined by a representative of the NC Paralegal Association.

Thanks to the help of Nancy Ferguson, the Real Property Section has posted the new recording statute guidelines for conforming and nonconforming documents on its website, resulting in substantially fewer nonconforming documents' being recorded across the state. Holly Alderman volunteered to create a survey to go to Registers of Deeds in all 100 counties in an effort to garner information about the consistency (and inconsistency) of recording procedures. The simultaneous recording statute is still being revised, so while that process is underway, the survey will ask whether counties indicate hour, minute, and second of recording, and whether the document ID is indicated on the face of the recorded instrument.

Electronic recording was discussed at the last Task Force meeting, as it is being

RESPA Reform

Although HUD's long-awaited changes to RESPA are still far from being finalized, certain changes in the land title industry and the practice of law in North Carolina are inevitable if the proposals are adopted.

The biggest change would come from the "Guaranteed Mortgage Packages" (GMPs), HUD's way of encouraging the bundling of services. A lender could choose a GMP in place of a Good Faith Estimate, and would not be required to itemize charges included. Should the lender contract with providers for fees lower than those disclosed in the GMP, the lender, not the consumer, would pocket the change. The force of this would drive lenders to negotiate the lowest possible fees for closings, requiring attorneys to slash fees or be left out in the cold, and could potentially violate the consumer's right to choose a title insurer.

To read the full text of the proposed changes, visit HUD's website at www.hud.gov or click on www.hudclips.org/sub_nonhud/cgi/pdf/18960.pdf.

implemented for certain documents in Mecklenberg County. Registers of Deeds across the state will be making changes that will allow recordings to conform with the needs of electronic registration. Electronic recording improves accuracy in indexing and turnaround time in the availability of document images in searches, but will also require a high degree of security in order to protect the integrity of land records.

Anyone interested in joining the Task Force or participating in a meeting is invited to attend the next meeting on April 9 at the Investors Title office in Chapel Hill. Contact Sarah Friede at (877) 815-3430 or sarah@statewidetitle.com for more information.

Did you know that electronic recording is coming to North Carolina? Check out the Property Records Industry Association's website at www.pria.us and click on eRecording Standards for more information.

ALTA has proposed an alternative package that would include title insurance, settlement costs, and government fees. It had previously focused on getting comments to HUD and the House of Representatives. The focus has shifted to the Senate as its Banking Committee is scheduling hearings on RESPA, beginning April 8.

NC Senator Elizabeth Dole is a new member of the Senate Banking Committee. Since this affects all aspects of the title business and North Carolina consumers currently benefit from the lowest closing costs in the nation (*USA Today*, 3/21/03), Senator Dole should be contacted by all NCLTA members and others interested in the title insurance and real estate closings in this state. You may contact Senator Dole by phone in DC (202) 224-6342 (preferable) or by fax (202) 224-1100, or at her Raleigh (919) 856-4630 or Hickory (828) 322-5170 offices. For talking points, ALTA's position, or other information about RESPA reform, please refer to www.alta.org and click on "RESPA Updates."

Convention plans being finalized

Bryan Rosenberg, 2003 Annual Convention chair, has pulled together an interesting agenda for this year's conclave at the Williamsburg Lodge in Colonial Williamsburg, August 7-9. Approximately six hours of CLE credits are planned, including a unique three-hour block of professional responsibility, one hour of which will address the new Substance Abuse requirement (pending State CLE Board approval). Using the dramatic and dynamic aspects of theater and the interactivity of small groups, the acting group Periakto Productions from South Dakota is developing two sessions for presentation to NCLTA: "The Art of the Law: A Workshop in Professionalism for Lawyers" (2 hours) and "The Snake Pit: Substance Abuse and the Abuse of the Profession" (1 hour). The learning objective of the first session is to raise the bar (pun intended?) to look at the aspirational aspects of law that constitute "professionalism" rather than focus on what you need to know to avoid being sued by your clients. The second session will use humor to heighten awareness

and involve the audience through the senses, emotion, and intellect to educate about the "spiritual dis-ease" of addiction that defies logic and linear thinking.

Three more traditional hours of CLE sessions will include an "ALTA Update" from the ALTA Chair of the Abstracters and Title Insurance Agents Section, Mark Bilbrey, president of Warranty Title and Abstract, Inc., of El Reno, Oklahoma; a "Real Property Section Update" from Raleigh attorney Barry Mann; an update on how the NC Insurance Department is addressing applications to offer insurance products alternative to title insurance; and "Caveat Emptor and the Disgruntled Buyer," presented by Margaret Shea Burnham of Adams, Kleemeier, Hagan, Hannah, and Fouts of Greensboro.

Registration materials are expected to be emailed and mailed around the beginning of June. We expect a record crowd, so don't wait to sign up!



Above photo courtesy of www.colonialwilliamsburg.org



Above photos courtesy of Williamsburg Area Convention & Visitors Bureau

Around the State

Fidelity National Title of NY has opened a branch in Boone, NC. *Teresa Brown* is the manager.

Chicago Title Insurance Co. has had some staffing changes. *Susan Nance* has replaced Maggie Deese in the Monroe office, *Jennifer Smith* is the branch manager of the Durham office, *Judy Farrell* and *Scott Mansfield* have joined the main office in Charlotte, and *Jay Williams* has joined the staff at the Wilmington office.

At **Lawyers Title Insurance Co.**, *Cindy Fowler* is the new manager at the Greensboro branch.

Statewide Title, Inc., has opened new branches in Wilmington and Kill Devil Hills. *Sarah Friede* is manager of the Wilmington office, and *Sally Bridgewater* is manager of the Kill Devil Hills branch.

Executive Committee hires lobbyist; reviews legislative and regulatory agendas

With 17 proposals for legislation (see page 6 of the Fall 2002 *Carolina Update* online at www.nclta.org/cu/fall02/page1.html) and concern about other unforeseen proposed legislation with regard to banks, other insurers, or NCGS Chapters 58 and 84, the NCLTA Executive Committee has hired attorney Anne Winner as the association's lobbyist for the 2003 legislative session.

At its January 8 meeting and during a February 19 conference call, the Executive Committee also discussed the status of other substitute title insurance products and plans to visit Insurance Commissioner Jim Long, membership renewals, and convention speakers. The 2002 year-end audit, showing an increase in net assets of \$5,810, was accepted.

The next meeting of the Executive Committee is scheduled for May 14 in Raleigh at the association's headquarters.

Nominations for Secretary sought

The 2003 Nominations Committee, chaired by Nancy Short Ferguson, with members William B. Webb, Jr., and Christopher Burti, is seeking nominations for the position of Secretary on the Executive Committee, for the term beginning August 9, 2003. The Secretary position is a one-year term; however, the tradition is that each year each officer advances to the next officer position on the Executive Committee, a tenure which normally lasts five years through the Past President position.

You may submit your nominations to Nancy Short Ferguson at Chicago Title Insurance Company, 7025 Albert Pick Road, Suite 302, Greensboro, NC 27409, Telephone: (336) 665-1314 or (800) 445-9983, Ext 213; Facsimile: (336) 665-9652 or (888) 542-0192; E-mail: nancyferg@aol.com or fergusonn@ctt.com or to the other members of the Nominations Committee.

Sam Mann Award nominations sought

The Nominations Committee is seeking nominations for the Sam Mann Memorial Award. The purpose of this award is to recognize a new generation of leaders in the title industry. The award winner will demonstrate the special qualities of Sam Mann in terms of contributions, encouragement, and support of the title industry:

- Put people at ease, inclusive, and caring; willing to listen
- Approach life with wisdom, dignity, courage, and a sense of humor
- Dependable, honest, loyal, and trustworthy
- Willingly seek leadership opportunities

The award will honor a person new to the title industry, and will be presented at the annual convention.

The deadline for submission of nominations is April 30, 2003. (See form on page 5.)

Sam Mann Memorial Award Nomination Form

The purpose of this award is to recognize a new generation of leaders in the title industry. The award winner will demonstrate the special qualities of former NCLTA President Sam Mann in terms of contributions, encouragement, and support of the title industry.

- Put people at ease, inclusive, and caring; willing to listen
- Approach life with wisdom, dignity, courage, and a sense of humor
- Dependable, honest, loyal, and trustworthy
- Willingly seek leadership opportunities

The award will honor a person new to the title industry. Candidates will be considered annually by the Nominations Committee and those selected presented with a plaque at the annual meeting.

Postmark Deadline for all entries is April 30, 2003.

Please submit your nominations to:

NCLTA Nominations Committee
c/o NCLTA
1500 Sunday Drive, Suite 102
Raleigh, NC 27607-5163

Fax: (919) 787-4916
E-mail: pdepas@olsonmgmt.com
Phone: (919) 861-5584

I hereby submit a nomination for the SAM MANN MEMORIAL AWARD for:

Nominee's Name: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ E-mail: _____

Number of Years Working in Title Industry: _____

Please attach a narrative of why you feel that individual demonstrates the qualities of Sam Mann, a biography or other summary of work history and contributions, reference letters, a photograph, and any other information you feel would be pertinent to the selection committee.

Signed by Nominator: _____ Date: _____

Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Phone: _____ Fax: _____ E-mail: _____

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NC Department of Insurance Renews Advisory Organization License

The North Carolina Department of Insurance has again renewed the Advisory Organization License of the N.C. Land Title Association for the purpose of NCLTA filing ALTA-approved forms on behalf of its title company members for the period July 1, 2003, through June 30, 2004.

By filing the ALTA forms for title insurance underwriters in the state, NCLTA saves both the individual title companies and the insurance department considerable duplication of effort.

When a form is adopted by ALTA, NCLTA files the form with the insurance depart-

ment for all its members with one application. Title company members of NCLTA who wish to use the generic ALTA form may use it without any further filing with the NC Department of Insurance. In addition, because NCLTA is only filing in North Carolina, it is not required to answer questions about form filings in other states, whereas individual title companies must research and report that information. In turn, the insurance department staff need review only one form filing instead of multiple filings of the same (or slightly varied) form(s).

Convention Calendar

ALTA 2003 Federal Conference
April 13-15, 2003

**NCBA Real Property Section
2003 Annual Convention**
May 2-3, 2003
Kiawah Island Resort
Kiawah Island, SC

NCLTA 2003 Annual Convention
August 7-9, 2003
Williamsburg Lodge
Williamsburg, VA
www.colonialwilliamsburg.org

ALTA 2003 Annual Convention
October 22-25, 2003
Arizona Biltmore Resort & Spa
Phoenix, AZ

ALTA 2004 Federal Conference
April 19-21, 2004

NCLTA 2004 Annual Convention
September 15-19, 2004
The Boar's Head Inn
Charlottesville, VA
www.boarsheadinn.com

ALTA 2004 Annual Convention
October 6-9, 2004
The Westin Copley Place
Boston, MA