

# Traverse Area Title

## Service, Inc.

Winter Issue 2009



### THIS ISSUE:

Sabrina Gaylord joins the staff of Traverse Area Title.

Who needs to sign that document? Read the deed and dower rules.

Final Respa Ruling.

Donna's Corner with what every realtor should know.

The Birthday Corner.

What is an expanded coverage policy?

Happy New Year



All of us at Traverse Area Title would like to wish all of you a very healthy and prosperous New Year. Contrary to what you may have heard, Traverse Area Title Service, Inc. is not going out of business we are open and ready to serve you for many years to come.

Traverse Area Title welcomes Sabrina Gaylord. Sabrina was previously employed by Grand Traverse Title for 10 years. Although we are saddened by the closing of Grand Traverse Title we look forward to working with the loyal customers Sabrina has served during her years at Grand Traverse Title. Sabrina's knowledge and experience in the title insurance industry, added to our already dedicated staff will make Traverse Area Title Service, Inc. a leading title company in the Northern Michigan Area.



**Have you ever wondered who needs to be at a closing to sign. Read through these deed and dower rules and let us know if you have any questions. We can help.**

**TITLE CONVEYANCE**

|                       |                                  |
|-----------------------|----------------------------------|
| Title held as:        | Who signs Deed?                  |
| Husband and Wife      | Husband and Wife                 |
| Joint Tenants         | Joint Tenants (no spouses)       |
| Tenants in Common     | Tenants in Common & wives of men |
| Man Alone             | Man and wife, if any             |
| Woman Alone           | Woman Only                       |
| D/B/A or Assumed Name | Individual & wives of men        |
| Trust                 | Trustees                         |

**PURCHASE MONEY MORTGAGE**

|                      |                                |
|----------------------|--------------------------------|
| Title to be held as: | Who Signs Mortgage?            |
| Husband and Wife     | Husband and Wife               |
| Joint Tenants        | Joint Tenants                  |
| Tenants in Common    | Tenants in Common              |
| Man Alone            | Man alone, with marital status |
| Woman Alone          | Woman Only                     |
| Trust                | Trustees                       |

**REFINANCE OF PRIMARY RESIDENCE**

|                   |                             |
|-------------------|-----------------------------|
| Title Held As:    | Who Signs Mortgage?         |
| Husband and Wife  | Husband and Wife            |
| Joint Tenants     | Joint Tenants and Spouses   |
| Tenants in Common | Tenants in Common & Spouses |
| Man Alone         | Man and Wife, if any        |
| Woman Alone       | Woman and Husband, if any   |
| Trust             | Trustees                    |

## FINAL RESPA RULING

HUD has released its final ruling regarding the changes they were trying to implement. The changes made by this rule is designed to protect consumers from unnecessarily high settlement costs by taking steps to improve and standardize the Good Faith Estimate making it easier to use as a shopping tool among providers. The ruling is quite lengthy however I have included a couple of the changes below.

The Closing Script has been dropped from the final rule. Some of the information that would have been included in the script will now be added to the 2<sup>nd</sup> or 3<sup>rd</sup> page of the HUD-1.

The Good Faith Estimate (GFE) and the HUD-1 has been amended. The GFE has been shortened. The HUD-1 will have references on most lines corresponding to areas on the GFE for comparison. The HUD-1 has a new third page, which consists of a chart comparison with the estimate charges from the GFE and the actual costs on the Hud-1. Some charges may not change where others are given a small tolerance.

The ruling is effective as of January 16, 2009, however the requirements concerning the GFE and the HUD-1 are not required until January 1, 2010. To see the entirety of the RESPA ruling go to <http://www.alta.org>



### *The Birthday Corner*

11-14 Anne M. Perry - Remerica

1-19 Maureen Penfold - Re/Max

1-21 Howard Vogel - Hearth Stone

2-3 Shelle Weatherly - Traverse Area Title

2-4 Laura Revels - Laura Power Processing

2-4 Debbie Highway - First Community Bank

2-10 Roger Send - Four Rent TC L.L.C.

2-13 Bridget Miles - Freedom Financial

2-21 David Socks - Socks Development

2-27 Stephanie Reamer - IRR Residential

***During the closing process, ask about an expanded policy to cover post-policy risks***

#### **Expanded Coverage**

An expanded title insurance policy covers many title defects not covered under a traditional policy, including issues that did not exist at the time you purchased your property. Expanded coverage typically covers things like access to the property, zoning violations, post-policy easement issues, encroachment removal, and building permit violations.

An example would be if someone used a portion of your land as an easement to their property, and you wanted to build something that would block their access. They file a claim asserting their rights based on their continued use over time. A judge then orders a cease and desist order on construction until the matter can be heard in court (which could take months or years). Because this occurred long after you purchased title insurance, a traditional Owner's Policy wouldn't cover it. But with an expanded policy, the title insurance company would negotiate with the parties involved to reach a settlement, or, pay your legal expenses to defend your claim in court. If you were to lose your case, the title insurance company would compensate you for your losses.

Another benefit of expanded coverage is that it insures you even after you no longer hold title to your property. This means that if you are sued for certain issues after you relinquish the title through a sale, the expanded coverage policy continues to protect you. And many underwriters increase the coverage amount each year as a hedge against inflation.

#### **Real Life Examples**

In one state, a homeowner took an extended trip overseas. Upon her return, she discovered that new neighbors had moved in next door and were building a fence that was headed for the middle of her driveway. A survey was done, which revealed that building a fence on the neighbor's property line would block access to her garage and the rear portion of her property. Fortunately, the homeowner had purchased an expanded coverage policy.

The title company immediately hired an attorney to represent the homeowner. After having the fence removed, the attorney filed for a variance with the county to get a county-established set-back line redrawn, and obtained an easement for the homeowner to use her driveway.

#### **Understand Your Coverage**

Title insurance is more than "just another fee"—it provides real protection should something happen to threaten the title to your home. Talk to your title representative to find out what is and isn't covered in your title insurance policy, and whether an expanded policy is right for you. For peace of mind, make sure your customers fully understand their coverage before you close.

## Donna's Corner

Serving the community since 1992, our dedicated staff has over 100 years combined experience in the Title Insurance field. Attorney-owned, we are prepared to assist you with any type of title concern you may have.

Customer satisfaction is top priority with Traverse Area Title Service, Inc. If you or your clients have a special need or a unique title or closing issue, please let us know so we can discuss helpful options with you.

### FYI



It is physically impossible for pigs to look into the sky.

To sell your home faster and for more money paint it yellow.

The filming of the movie "Titanic" cost more than the Titanic itself.

A recent study at Harvard has shown that eating chocolate can actually help you live longer.

Interesting facts taken from [hookeDonfacts.com](http://hookeDonfacts.com)

### What Every REALTOR® Should Know About Title Insurance

#### *Make sure your clients are protected*

The process of buying a home has gotten complicated, with mounds of paperwork and documents to sign. Fees show up at closing that can sometimes be a big surprise to the seller and buyer, who often have no idea what they're for.

Title insurance is one of those charges little understood by sellers and buyers, who often see it as just another fee they have to pay to buy a home. As an important advisor to your clients, you can help them understand the values that title insurance provides, and the dangers that can be incurred without it.

Title insurance protects against problems affecting the title to a home, which is probably your client's most valuable asset. There are two types of title insurance policies. A Loan Policy is almost always required by the lender and insures the title for the amount of the mortgage loan. An Owner's Policy, on the other hand, insures the homeowner's investment. Both are needed.

Having a problem with a title can seem rather remote because, historically, the title insurance industry has not had to pay a large amount in claims. This is due to the exhaustive due diligence work that is performed by the title company prior to closing. The American Land Title Association estimates that one out of every four title searches reveals a problem with the title.

Because of the corrective work that title professionals perform, most buyers are unaware of these problems and the closing goes smoothly. Few problems with title ever end up resulting in a claim. However, when it happens, not having the proper protection can be devastating to a homeowner.

Some title problems are easy to detect, such as prior tax liens or a lien from an unpaid subcontractor. But other problems can be more difficult to detect, such as forged signatures in the chain of title, recording errors, undisclosed easements or title claims by missing heirs or ex-spouses. For this reason, having both a Loan Policy and Owner's Policy ensures that your clients are fully protected.

For more information on the title insurance industry, please visit the American Land Title Association Web site at <http://www.alta.org>

To visit our website go to [www.traverseareatitle.com](http://www.traverseareatitle.com)

This newsletter was created by Melissa Novak of Traverse Area Title Service Inc. Please forward any suggestions for the Titlewave newsletter to [Melissa@traverseareatitle.com](mailto:Melissa@traverseareatitle.com) If you choose not to receive this newsletter you may contact me at [Melissa@traverseareatitle.com](mailto:Melissa@traverseareatitle.com) and type unsubscribe in the subject line.

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