



New York State Land Title Association, Inc.
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THE Bulletin

Title Insurance: Protecting Your Piece of the Planet

SPRING 2007

THE JOURNAL OF THE NEW YORK STATE LAND TITLE ASSOCIATION, INC.

VOLUME 86, NUMBER 2

MARK YOUR CALENDAR

NYSLTA 86th Annual Convention
Halifax Marriott Harbourfront
Halifax, Nova Scotia
August 12-15, 2007

ALTA Annual Convention 2007
Chicago Hilton & Towers
Chicago, Illinois
October 10-13, 2007

QUARTERLY QUOTE

“Are you ready for another first-class, exciting, fun and educational NYSLTA Annual Convention? The Association’s Annual Convention is just weeks away, circle your calendar for August 12-15. Please be sure to join us.”

—THOMAS P. TAFURI
NYSLTA President
(See On My Mind, Page 2)

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NYSLTA 86th Annual Convention August 12-15, 2007

**NYSLTA and hotel registration
packet will follow in coming weeks.**



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THOMAS P. TAFURI
President

On My Mind



SHARON SABOL
Executive Vice President

A Message from Tom Tafuri and Sharon Sabol—

NYSLTA 86th Annual Convention in Halifax

Are you ready for another first-class, exciting, fun and educational NYSLTA Annual Convention? The Association's Annual Convention is just weeks away, circle your calendar for August 12-15. Please be sure to join us.

NYSLTA and hotel registration packet will follow in coming weeks via mail and on the NYSLTA Web site, www.NYSLTA.org.

Our keynote speaker at the Convention Annual Banquet will be ALTA President Gregory M. Kosin, a 30-year veteran of the title industry. In 1985 he helped found Greater Illinois Title Company (GIT) and has been president since its inception. GIT is the largest title insurance agent in Illinois with 17 offices and one of the largest title agencies in the country. He also serves as CEO of H. B. Wilkinson Title Company.

Gregory is a former director of the Illinois Association of Mortgage Brokers, the Illinois Mortgage Bankers Association, and the Society of Mortgage Professionals. He served as President of the Illinois Land Title Association for two terms and is a former member of its Board of Directors.

He served as Chair of the Government Affairs Committee of ALTA for nine years and was appointed to its RESPA Advisory Committee, which evaluated new Federal regulatory proposals. In 2002, Gregory was elected to serve on ALTA's Abstractors and Title Insurance Agents Section Executive Committee, and in 2005 was elected to serve as Chairman of the Section Executive Committee. He has served on the ALTA Board for seven years. In October 2006, he was elected President of the Board of Governors of ALTA.

We look forward to Gregory's participation and presence in Halifax.

The GAO Report

The United States Government Accountability Office (GAO) report entitled: *Title Insurance: Actions Needed to Improve Oversight of the Title Industry and Better Protect Consumers*, is available on the NYSLTA Web site, www.NYSLTA.org—click Member News.

Additionally, there are accompanying documents on ALTA's Web site, www.ALTA.org. The following excerpt, from a report entitled: *Summary of the GAO Report on Title Insurance (April 2007)* is available in its entirety on ALTA's Web site.

In April 2006, the United States Government Accountability Office ("GAO") issued two preliminary reports for the House Financial Services Committee on the title insurance industry, both entitled *Title Insurance: Preliminary Views and Issues for Further Study* (GAO-06-568 and GAO 06-569T). While these reports provided an initial overview of competition and pricing in the title insurance industry, the Committee requested further study of these critical issues. Thus, the April 2007 report, GAO-07-401, specifically addresses (1) the characteristics of title insurance markets and differences across states, (2) prices and competition in the industry, and (3) the current regulatory environment and planned regulatory changes. The report is based on a detailed review of the laws, regulations and practice in six states—California, Colorado, Illinois, Iowa, New York and Texas—conducted between February 2006 and March 2007.

GENERAL RECOMMENDATIONS

The GAO recommends that state and federal legislators and regulators (1) improve the consumer's ability to

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BY WILLIAM C. COLLINS
 Vice-President, Crossroads Abstract
 ROCHESTER, NEW YORK

Section 1303 of the Real Property Actions and Proceedings Law (RPAPL)— What Were They Thinking?

Problems for the Title Insurance industry caused by the Home Equity Theft Prevention Act continue to be documented by the legal departments of the various underwriters. While most of our day-to-day hassles are caused by the new Section 265-a of the RPL (having to do with contracts, rescissions, etc.), some of the Act's most bizarre contradictions and mysteries are contained in the new Section 1303 of the RPAPL, which sets up new requirements for a notice of "Help for Homeowners".

This portion of the Act is intended to ensure that owners of properties who are served in a mortgage foreclosure receive information that will both help them avoid foreclosure and prevent them from succumbing to an equity theft. Its mechanism for accomplishing that is the requirement that a notice (the text and format of which is specified by the statute) regarding these issues be given to the "mortgagors" with the Summons and Complaint. The statute mandates that said notice must be printed on paper that is a different color than that of the Summons and Complaint, that the title of the form be printed in 20-point type, and the text of the form be printed in 14-point type. No penalties are specified for violations.

The first oddity in the bill is an omission—it contains only requirements for this notice on *mortgage* foreclosures. In addition to mortgage foreclosure, Section 265-A 2 (G) of the HETPA also defines "Foreclosure" as ". . . the subject property is on an active property tax lien sale list". However, Section 1303 provides no protective warning of help for property owners who fall behind on their property taxes and are given notice of a pending tax sale. Yet tax-delinquent property owners seem just as vulnerable to equity theft schemes as mortgage-delinquent owners, perhaps more so. There doesn't seem to be a "practicality" motive—all property owners must be served in some manner even for tax foreclosures, and the addition of one sheet to a delinquency notice doesn't seem to be a large burden for municipalities. True, the language of the notice stipulated in the statute would have to be changed to include tax foreclosure, but the composition of inclusive language, or composition of a separate notice, would not seem to challenge the abilities of the drafters of this bill. Conjectures about possible motives for this omission are then left as an exercise for the reader.

The weirdness continues with the very first sentence of the new section. 1303-1 recites: "The foreclosing party in a mortgage foreclosure action shall provide notice to the

mortgagor in accordance with the provisions of this section with regard to information and assistance about the foreclosure process." (emphasis added). Section 1311-1 of the RPAPL is very specific about the parties that need to receive notice of a foreclosure action—and it's the *owners*, not the mortgagors. They may be, and usually are, identical, but there are many, many properties that have an assumed mortgage where they are *not* identical. There are also instances of a co-owner coming into title after the other owner gave the mortgage; would that new co-owner have to be served? Considering that in 265-1(A) of the Act, the intent of the statute is specifically recited as protecting "homeowners", the use of the word "mortgagors", rather than "owners" or something similar is odd, to say the least. The oddness is enhanced since the words "property owner" and "homeowner" is *specifically* defined in the other section of the Act (RPL 265(a)-2(H)). A determined attorney could argue that such a discrepancy must have been intentional. We may have to wait for a court case to determine if notice to a "mortgagor" is sufficient if a separate owner is *not* given such notice.

The method of delivery of the notice is also not specified. Section 1303-1 merely states: ". . . the foreclosing party . . . shall provide notice . . .", and then goes on in 2 to state: ". . . the notice required by this section shall be delivered with the Summons and Complaint. . .". If service on the Defendant is other than personal, however, how is the Notice to be provided, and how could such notice be proven? If "nail and mail" or "leave and mail" service is used, the service may be perfectly legal, but a determined defendant could try to fight the foreclosure or appeal a judgment by claiming that the Section 1303 Notice was not "delivered" or "provided". Service by publication would be even more problematic. Hopefully a court will find that merely attaching a Notice sheet to the Summons and Complaint, in whatever form of service is used is sufficient to satisfy the statute.

Attorneys foreclosing mortgages on commercial properties may be lulled by the title of the Act into thinking that it only affects residential property. While Section 265(a)-2(C) of the RPL recites that it only affects a "residence" (which is later defined in 265(a)-2(K) as residential real property consisting of 1 to 4 family dwelling units), *Section 1303 contains no such limitation*. Under this new statute, even *commercial property foreclosures* appear to require that a

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BY SUMERA M. AHMED

Agency Counsel, LandAmerica Lawyers Title Insurance Corp.

White Plains, New York

Changes to the Tirsra Rate Manual Effective May 1, 2007

The much anticipated TIRSA Rate Manual changes have been approved and effective May 1, 2007. The 1992 American Land Title Association (ALTA) fee and mortgage insurance policy forms will be **replaced** by the forms approved by ALTA in 2006. The new forms must be used for all closings on and after May 1, 2007. The new forms contain many changes. The most significant are outlined below. A complete copy of all the forms and changes, which include a line-by-line comparison of the 1992 policy with the 2006 policy, can be accessed by visiting ALTA's Web site at www.ALTA.org (by subscription only). The revised TIRSA Rate Manual is available on TIRSA's Web site at www.tirsra.org.

1. Survey Endorsement: This endorsement is no longer available. Please refer to section 1 paragraph "L" of the revised TIRSA Rate Manual and paragraph 1 of the New York Endorsement. Under the new Standard New York Endorsement the policy forms provide **the lender with automatic survey coverage only for 1-4 family residential property**. Property that is mixed use, vacant land, or commercial would still require you to include (if no survey provided to be read in) the standard survey exception ("subject to any state of facts an accurate survey would show") in the loan policy.

The Owner's policy **does not** afford automatic survey coverage. A survey will still need to be provided or the standard exception mentioned above must be taken.

2. Determination and Extent of Liability (Condition 8 in Owner's Policy): If the Title Insurance company chooses to pursue litigation rather than immediately settle with its insured, condition 8 of the 2006 ALTA Owner's policy provides that the amount of insurance shall be increased by 10% **only if** the company is NOT successful. This will only happen if there is a **total loss of title**. TIRSA believes that the number of instances in which a policy holder will be entitled to an increase in the amount of insurance under this condition will be limited as a full policy loss is not a common event in our industry. Also, the co-insurance provision contained in Subsection 7 (b) of this heading in the 1992 policy has been eliminated in the 2006 policy.

3. Gap Coverage: The gap coverage is now within the policies themselves (see Owner's policy section 10 and Loan policy section 14). Exclusion 7 under the

ALTA Loan Policy and Exclusion 5 under the 2006 ALTA Owner's Policy now mention real estate taxes or assessments and the Standard New York Endorsement for the owner's and loan policy add to the exclusion to include water charges or sewer rents.

4. Pending Disbursements Clause/Building Loan Coverage: Part 1, Section 1 of the Revised TIRSA Manual now includes the pending disbursements clause in its entirety.

5. Continuation of Insurance: The new policies have adopted section 32 of the TIRSA Rate Manual by re-defining the term "Insured" in the Definition of Terms Section of the policy. Also, this provision now applies to a transfer by a principal to its nominee or by a nominee to its principal.

6. Withdrawn Endorsements: The following five (5) endorsements are being withdrawn for use with the ALTA 2006 policies. They are as follows:

- TIRSA Last Dollar Endorsement (5/1/96)
- TIRSA Survey Endorsement (loan policy 9/1/93)
- TIRSA Limited Liability Company and Limited Liability Partnership Endorsement
- 1992 ALTA Owner's Standard New York Endorsement (replaced with new 2006 version effective 5/1/07)
- 1992 ALTA Loan Standard New York Endorsement (replaced with new 2006 version effective 5/1/07)

7. Arbitration: In the 1992 policies the threshold for arbitrable matters when the amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the amount of Insurance is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the insured. The 2006 policies have increased the \$1,000,000 threshold to \$2,000,000.

8. Short Form Residential Loan Policy-New York One-to-Four Family: The only substantive changes between the 1992 Short Form Residential Loan Policy and the 2006 version are the deletion from schedule B (Exceptions From Coverage and Certain Assurances) of paragraphs 1 and 5 in the 1992 policy. There are only 3 paragraphs in the 2006 version now, which are the same as paragraphs 3, 4, and 5 in the 1992 version. Paragraph 1 in the 1992 policy excepted from coverage "those taxes and special assessments which become

(Continued on Page 10)

BY ALISON NASH
Program Manager

RONI FELDMAN & ASSOCIATES, TORONTO, ONTARIO

Destination Halifax 2007

NYSLTA 86th Annual Convention— Transportation Options and Details

The NYSLTA 86th Annual Convention in Halifax is just around the corner and we are looking forward to a fabulous time. So, the question is: “How do I get there?” The possibilities are endless . . .

By Air: The Halifax International Airport is the Atlantic Canadian centre for domestic, regional and international flight service. There are numerous airlines that service Halifax—Air Canada, American, Continental, Delta and United. While most airlines offer one-stop service from the New York area, some offer direct service as well:

Newark: Continental

JFK: American

LaGuardia: American, United, Air Canada

There is also service from Albany International Airport with most carriers offering one-stop service.

The Airport is located 30 minutes from downtown Halifax. Once you arrive at the airport, you will find limousine, car rental companies, taxi, and shuttle bus services to transport you in comfort to your accommodations. Limousine Service: \$53, Taxi Service: \$53, Shuttle: \$16 one-way, \$28: return (all prices are approximate in Canadian dollars).

By Sea: The Cat is the fastest car ferry in North America! Carrying up to 900 passengers and 240 cars across



Photo courtesy of Destination Halifax

the Gulf of Maine, The Cat makes the crossing up to twice daily.

Traveling between Bar Harbor, Maine and Yarmouth, Nova Scotia in just under three hours and between Portland, Maine and Yarmouth in 5½ hours, The Cat brings a unique travel experience to these two distinctive ports. The famous rockbound coast of Maine and Acadia National Park in Bar Harbor, historic Portland and the unique cultural heritage of Nova Scotia are yours to discover on this route.

Schedule: July 11 - September 2, 2007

	Mon	Tues	Wed	Thur	Fri	Sat	Sun
Bar Harbor-Yarmouth		8:00	8:00	8:00			
Portland-Yarmouth	8:00				8:00	8:00	8:00
Yarmouth-Bar Harbor		16:00	16:00				
Yarmouth-Portland	16:00			16:00	16:00	16:00	16:00

Advance reservations are strongly recommended. A credit card is required for all vehicle reservations. Please note that the following fees are payable in addition to indicated fares: \$10 US per person port and security fee each way. Act fast and book your passage on The CAT by June 1, 2007 and save \$75 on your round trip vehicle fare—that’s an extra \$25 on top of the standard \$50 round trip vehicle savings.

By Car: The Trans Canada Highway enters Nova Scotia from New Brunswick, and provides a connection to all points in the United States and Canada. The Confederation Bridge links Prince Edward Island to New Brunswick and then Nova Scotia by that same highway system. Various coach companies provide transportation alternatives to Halifax from New York and Montreal and other parts of Nova Scotia.

By Rail: VIA Rail Canada offers a trans-continental connection with Western Canadian cities, and some US destinations. The Ocean links Montreal and Halifax overnight. You will travel hundreds of kilometres while you sleep in comfort. When you wake up, you are in Atlantic Canada! The Ocean leaves Montreal in the evening, and travels along the south shore of the St. Lawrence River through the Matapedia valley. Continuing southwards across New Brunswick and Nova Scotia, the train reaches Halifax in mid-afternoon. In the other direction, the Ocean leaves Halifax in the afternoon, and arrives in Montreal the next morning. The Ocean runs every day except Tuesday.

Please note the new Passport regulations when planning your method of transportation. All **air** travel requires a **valid passport**, whereas **car, train and ferry** only require **photo identification**. However, if possible, it is always better to have your passport with you when traveling outside of the U.S.

However you get to Halifax . . . it is guaranteed to be a great time!

Please e-mail:
Alison Nash at anash@rfa-dmcservices.com

BY MICHAEL J. BEREY

Senior Underwriting Counsel and Senior Vice President

FIRST AMERICAN TITLE INSURANCE COMPANY OF NEW YORK, NEW YORK, NEW YORK

The New York Law Journal Reprint— Home Equity Theft Prevention Act Took Effect February 1

The Home Equity Theft Prevention Act (the Act), Chapter 308 of the Laws of 2006, signed into law on July 26, 2006 by then Governor George Pataki, became effective on Feb. 1, 2007.

The Act amends §595 of the Banking Law (“Regulation of mortgage brokers, mortgage bankers and exempt organizations”), adds new §265-A (“Home Equity Theft Prevention”) to the Real Property Law (RPL), and adds new §1303 (“Foreclosures; required notices”) to the Real Property Actions and Proceedings Law (RPAPL).

Purpose of Act

The purpose of the Act is set forth in Chapter 308: “The Legislature finds and declares that homeowners who are in default of their mortgages or in foreclosure may be vulnerable to fraud, deception, and unfair dealing by Home Equity Purchasers. . . . During the time period between the default on the mortgage and the scheduled foreclosure sale date, homeowners in financial distress, especially poor, elderly and financially unsophisticated homeowners, are vulnerable to aggressive ‘Equity Purchasers’ who induce homeowners to sell their homes for a small fraction of their fair market values, or in some cases even sign away their homes, through the use of schemes which often involve oral and written misrepresentations, deceit, intimidation, and other unreasonable commercial practices.”

RPL §265-A applies when a natural person (an Equity Seller) having a record title interest in, and his or her primary residence at, property improved by a one-to-four family dwelling (Residential Real Property or Residence) enters into an agreement (a Covered Contract) with a person (who can be other than a natural person) or his or her representative (an Equity Purchaser) to acquire title to the Residence when the Residence is (a) in Foreclosure or (b) the Residence is in Foreclosure or the Equity Seller is in Default (two or more months behind in his or her mortgage payments) and (as to (“b”)) the Covered Contract includes a Reconveyance Arrangement.

A Residence is in Foreclosure when a notice of pendency is filed in an action under RPAPL Article 13 or the Residence is on an active tax lien sale list.

A Reconveyance Arrangement is an agreement for an Equity Purchaser to reconvey an interest in the Resi-

dence back to the Equity Seller to enable the Equity Seller to regain possession. This can be accomplished by such means as the execution of a purchase agreement or a lease, or by the granting of an option to purchase. RPL §265-A also indicates without explanation that there may be a Reconveyance Arrangement when an Equity Seller mortgages a Residence to an Equity Purchaser.

A Reconveyance Arrangement may be subject to mortgage recording tax. RPL §265-A (11-A) provides that “(i)n any transaction in which an Equity Seller purports to grant a residence in foreclosure or default to an Equity Purchaser by any instrument which appears to be an absolute conveyance and reserves to himself or herself or is given by the Equity Purchaser an option to repurchase, such transaction shall create a presumption that the transaction is a loan transaction. . . .”

Specific requirements for “Covered Contracts,” such as a requirement that the Equity Seller be afforded a right to cancel, and that there can be no transfer or encumbrance of an interest in the Residence until midnight of the fifth business day following the day on which the Covered Contract is signed, and for the terms and form of required notices (including a “Notice Required by New York Law” informing the Seller(s) of a right to cancel the contract and a form “Notice of Cancellation”), are set forth in RPL §265-A. Those requirements are not within the scope of this article.

‘Equity Purchaser’

An “Equity Purchaser” does not include a person acquiring title as follows:

1. To use, and who uses, such property as his or her primary residence;
2. By a deed from a referee in an RPAPL Article 13 mortgage foreclosure;
3. At any sale of property authorized by statute;
4. By an Order or Judgment of any Court;
5. From a spouse, or from a parent, grandparent, child, grandchild or sibling of such person or such person’s spouse;
6. As a not-for-profit housing organization or as a public housing agency; or
7. A bona fide purchaser or encumbrancer for value.

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Section 1303 of the RPAPL

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“notice” to the mortgagor be given. We can all imagine that an owner of a large commercial building, hundreds of thousands of dollars in arrears, will have an ironic chuckle when receiving a notice cautioning him about equity thieves and letting him know about “legal aid” help. A foreclosing attorney may find it less funny, however, if the notice is not given and a huge commercial foreclosure is successfully dismissed. An attorney defending a large commercial property owner may be even more likely to use violations of the very specific requirements of the notice (e.g. different color paper, statutory type point size) to fight the foreclosure and gain his client another few month’s rents.

The extreme specificity of this new section 1303 is at odds with the rest of Article 13 of which this section is a part. While parties defendant are defined, no other section of Article 13 recites specifics such as wording, type size or paper color of the documents of the action. Whether violations of these standards would constitute successful grounds for appeal remains to be seen. Conspicuously missing from these consumer protections, however, is one that is prominently mentioned in Section 265(a)- that of *language*. 265(a)-3 requires that all “covered contracts” be written in “. . . both English and Spanish if Spanish is the primary language of the Equity Seller . . .”. However, Section 1303 contains no such requirement for the Notice to the homeowner, though it would seem that such a requirement on the Notice would be even more useful and important. Considering that the Notice has to be on its own sheet under the statute, it should have been easy to include a Spanish version in the statutory language.

The various problems detailed herein seem to indicate that the language of this statute may have been taken from some kind of national model bill, and not written by authors familiar with New York foreclosure law. We can only hope that was the case. However, the effects of the gaps, omissions and contradictions in this law will be affecting the Title Industry for many years to come. Whether the New York State government will be able and willing to amend the law to make it more reasonable (and possibly even provide better protection to possible victims of Home Equity theft) remains to be seen.

Please e-mail:

William C. Collins at bcollins@crossroadsabstract.com

Please visit ALTA’s Web Site:
www.ALTA.org
for national title insurance
news and information.

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NYSLTA

86th Annual Convention

August 12-15, 2007

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NYSLTA Executive Assistant Regina Capone.

Phone: 212-964-3701 E-mail: rcapone@NYSLTA.org

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A “Bona fide purchaser or encumbrancer for value” is, in particular, defined to include:

... “anyone acting in good faith who purchases the residential real property from the Equity Purchaser for valuable consideration or provides the Equity Purchaser with a mortgage or provides a subsequent bona fide purchaser with a mortgage, **provided that he or she had no notice** of the Equity Seller’s continuing right in, or equity in, the property prior to the acquisition of title or encumbrance, or of any violation of this section by the Equity Purchaser as related to the subject property.” (Emphasis added)

A transaction in “material violation” of requirements of RPL §265-A is voidable and may be rescinded by the Equity Seller within two years of the date of the recording of the conveyance to the Equity Purchaser. Rescission is accomplished by the Equity Seller giving a notice of rescission to the Equity Purchaser and his or her successors in interest (if the successor is not a bona fide purchaser or encumbrancer for value), and by recording the notice of rescission in the recording office of the County in which the property is located within two years of the date on which the conveyance to the Equity Purchaser was recorded.

The interest of a bona fide purchaser or encumbrancer acquired before recording of a notice of rescission is not affected. Knowledge that the property was in foreclosure or that the property owner was in default in his or her mortgage payments does not impair the status of a person as a bona fide purchaser or encumbrancer; however, according to RPL §265-A, without further explanation, this “shall not be deemed to abrogate any duty of inquiry which exists as to rights or interests of persons in possession of the residential real property in foreclosure, or where applicable, default.”

A waiver of the provisions of RPL §265-A or a limitation of the Equity Purchaser’s liability for a violation of the section is null and void. A provision in a Covered Contract requiring arbitration is, at the Equity Seller’s option, void. The Attorney General of the State of New York is authorized to apply for injunctive relief when there is a violation of the requirements of §265-A and a court, on such application, may impose a civil penalty of not more than \$25,000 for each violation. Further, Banking Law §595-a, as amended by the act, authorizes the Banking Board to impose fines or penalties when a mortgage loan is made to an Equity Purchaser “if the mortgage banker, mortgage broker or exempt organization had knowledge that the Equity Purchaser was not complying with [RPL §265-A] with respect to such transaction.”

Lastly, the Act adds new RPAPL §1303 requiring the plaintiff in a mortgage foreclosure to deliver with the summons and complaint for the action a notice, on a separate page in bold, fourteen-point type printed on colored paper that is a color other than that of the paper on which the summons and complaint are printed, captioned (in bold twenty-point type) “Help for

Homeowners in Foreclosure.” The text of the required notice is in Exhibit A to this article. This notice requirement is not expressly limited to the foreclosure of a mortgage on a one-to-four family dwelling.

EXHIBIT A¹ HELP FOR HOMEOWNERS IN FORECLOSURE

New York State Law requires that we send you this notice about the foreclosure process. Please read it carefully.

Mortgage foreclosure is a complex process. Some people may approach you about “Saving” your home. You should be extremely careful about any such promises.

The State encourages you to become informed about your options in foreclosure. There are government agencies, legal aid entities and other nonprofit organizations² that you may contact for information about foreclosure while you are working with your lender during this process.

To locate an entity near you, you may call the toll-free helpline maintained by the New York State Banking Department at [enter number] or visit the Department’s Web site at [enter Web address].³

The State does not guarantee the advice of these agencies.

1. The point type required is not reflected in this exhibit.
2. The Act provides that “(t)he Banking Department shall post on its Web site or otherwise make available the name and contact information of government agencies or non-profit organizations that may be contacted for information about the foreclosure process, including maintaining a toll-free help-line to disseminate the information required by this Section.”
3. The Act provides that “(t)he Banking Department shall prescribe the telephone number and Web address to be included in the notice.”

Please e-mail:

Michael J. Bery at mbery@Firstam.com

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NYSLTA members are
encouraged to contribute articles,
news and columns for publication in
The Bulletin.

Please e-mail to
NYSLTA Executive Vice President
Sharon Sabol at ssabol@NYSLTA.org

A Message from Tom Tafuri and Sharon Sabol

(Continued From Page 2)

shop for title insurance based on price, (2) encourage price competition, (3) ensure consumers are paying reasonable prices for title insurance, and (4) improve the Department of Housing and Urban Development's ("HUD") ability to detect and deter violations (particularly violations of Section 8 of RESPA re: referral fees). The GAO supported these general recommendations with specific suggestions to state and federal legislators and regulators as set forth below.

SPECIFIC RECOMMENDATIONS

The GAO has recommended that HUD, state regulators, and the Congress, implement a series of specific changes in order to address current shortcomings in the way that title insurance is marketed, priced and sold throughout the United States.

Recommendations to HUD

The report identifies two primary goals for HUD: (1) to protect consumers from illegal title insurance marketing practices; and (2) to improve consumers' ability to comparison shop. To accomplish these goals, the GAO recommends four specific actions: (1) expand information in the HUD home-buyer information guide; (2) evaluate the costs and benefits to consumers from affiliated business arrangements or ABAs; (3) clarify regulations relating to referral fees and ABAs; and (4) enhance the agency's coordination with state regulators.

We will continue to keep you posted.
See you in Halifax!

Please e-mail:
Thomas P. Tafuri at ttafuri@regalnyc.com
Sharon Sabol at ssabol@NYSLTA.org

Changes to the Tirsra Rate Manual

(Continued From Page 4)

due and payable subsequent to Date of Policy". This is not included in the 2006 version since it concerns a post-policy matter not covered by an ALTA Loan policy. Paragraph 5 in Schedule B of the 1992 policy provided affirmative survey coverage. This is not included in the 2006 version since survey coverage is provided in connection with a one to four family dwelling in covered risk 2(c) of the 2006 ALTA Loan Policy.

As of May 1, 2007 the 1992 ALTA Owner's and Loan Policies, and the ALTA 1992 Residential Short Form Loan Policy will no longer be permitted to be issued in New York.

Please e-mail:
Sumera M. Ahmed at SAhmed@Landam.com

IN MEMORIAM

Jimmy Carroll

&

Mellor A. Gill

The Bulletin

EDITOR IN CHIEF: SHARON SABOL

The Bulletin is published quarterly by the New York State Land Title Association, Inc., Two Rector Street, Suite 901, New York, NY 10006-1819.

NYSLTA members are invited to contribute articles and reports regarding title industry issues. NYSLTA reserves the right to edit all materials submitted.

Association Staff:

Executive Vice President.....Sharon Sabol
Executive Assistant.....Regina Capone
Receptionist Ana Lord

**For advertising inquires, contact
Regina Capone.**

Phone: 212-964-3701 Fax: 212-964-7185
E-mail: Info@NYSLTA.org
Web Site: www.NYSLTA.org

BY MEMBERSHIP COMMITTEE CONTRIBUTORS

New York State Land Title Association Proudly Welcomes New Members

We welcome our
newest NYSLTA members:

NASSAU COUNTY

LGR, Title & Abstracts

(Independent Member)

Rita Mitchell Williams,

Independent Abstracter

304 No. Brookside

Freeport State, NY 11520-1307

516-608-0721

E-mail: legenroux@genie.us

Robin Graber-Schwartzman

(Independent Member)

49 Whitman Avenue

Syosset, NY 11791

516-364-2070

E-mail: Robinandtodd@msn.com

Unlimited Abstract LLC

(Regular Member)

David Warshaw, President

444 Merrick Road, Suite 106

Lynbrook, NY 11563

516-256-1010

E-mail: info@unlimitedabstract.com

NEW YORK COUNTY

Adam Leitman Bailey, P.C.

(Associate Member)

26 Broadway, 21st Floor

New York, NY 10004

212-825-0365

E-mail: alb@alblawfirm.com

Federated Title Services, LLC

(Regular Member)

Michael E. Benzi, Esq., Principal

501 Seventh Avenue, 6th Floor

New York, NY 10018

212-796-4250

E-mail: mbenzi@federatedts.com

QUEENS COUNTY

Lechin Quezada and Assoc., LLC

(Independent Member)

Diana Lechin-Quezada

84-22 91st Street

Woodhaven, NY 11421

718-805-0036

E-mail: aishamary@hotmail.com

OUT-OF-STATE

Legal 1031

Exchange Services, Inc.

(Associate Member)

Todd R. Pajonas, Esq.

731 Main Street, Suite D3

Monroe, CT 06462

877-701-1031

E-mail: todd@legal1031.com

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