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Escrow Association of Santa Clara Valley

MAY 2009



PRESIDENT'S LETTER

Lena Signor and I have just returned from attending the CEA meeting. There were so many topics of interest discussed at CEA, it is hard to select which one will be of the most interest to our members.

As a demonstration of the never ending changes we face, I decided to talk about a dilemma escrow folks are facing when preparing an escrow for a short sale.

It would seem that suddenly the lenders have become much more cooperative about modifying the terms of existing loans. They are so cooperative, that lenders have started contacting owners offering to modify the terms of a loan instead of approving a short sale.

No doubt, much time has been invested in negotiating a short sale with the lender. Everyone involved in the transaction believes the close of escrow is near.

Imagine how an Owner feels, who really doesn't want to leave their home but is forced to sell due to the current economic conditions.

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All too often we in escrow land, hear the phrase, "We're out of contract", meaning the Purchase Agreement has expired. The Agreement did not allow enough time to obtain an approval from the existing lender. Or perhaps there has been a delay in obtaining an approval from the Buyer's new lender. Or, as any Escrow Practitioner knows, there can be many many reasons why the closing of an escrow can be delayed.

How understandably tempting it is for a Seller to simply accept the newly modified terms of their existing loan and remain in a house that contains many precious memories.

Then my head started to spin over to what a big mess this situation would create. If the Purchase Agreement has not expired, it is easy to remark that there are remedies available under the law. Such remedies require time, anguish, gumption and finding an attorney who will take the case. There is the expense of an upfront retainer fee with an attorney. Often a Retainer Agreement sets out that a good percentage of any awarded damages are paid to the attorney. With all these considerations, maybe filing a suit is easier said than done.

For other topics of interest, take a look at the Director's Report contained in this publication.

I'm very much looking forward to our next dinner meeting on May 19th. Our guest speaker, Michael Haas has been a great friend of escrow for many years. His casual, yet funny style combined with an amazing amount of expertise in our industry makes him a wealth of information. I've never seen him shy away from a question, in fact, it seems he takes delight in jumping from one subject to the next!

Our next meeting will be at Old Republic Title Company at 1900 The Alameda, San Jose, Second Floor conference room.

Anita Rubeck



Anita Rubeck, 2009 President

alrubeck@firstam.com ~ anita.rubeck@yahoo.com

2009 CALENDAR

ESCROW ASSOCIATION OF SANTA CLARA VALLEY

- May 12, 2009** **Teleconference Board Meeting at 5:30 p.m.**
May 19, 2009 **General Membership Dinner Meeting at 6:00 pm at Old Republic Title Company**
 1900 The Alameda, 2nd Floor, San Jose, California ~ **Speaker: Michael Haas**
- June 4-6** **AEA Conference, Sparks NV**
June 12-13, 2009 **Nor Cal Conference – San Ramon, CA**
June 16, 2009 **Face to Face Board Meeting at 5:30 p.m.**
 5510 Almaden Expressway, Suite Ste A, San Jose, CA 95118
- July 14, 2009** **Teleconference Board Meeting at 5:30 p.m.**
July 21, 2009 **General General Membership Dinner Meeting at 6:00 pm at Old Republic Title Company**
 1900 The Alameda, 2nd Floor, San Jose, California ~ **Speaker: Mock Trial Part I**
- August 7-8, 2009** **CEA Board of Directors Meeting at Renaissance Hotel, Long Beach**
August 18, 2009 **Teleconference Board Meeting at 5:30 p.m.**
- September 8, 2009** **Teleconference Board Meeting at 5:30 p.m.**
September 15, 2009 **General Membership Dinner Meeting at 6:00 pm at Old Republic Title Company**
 1900 The Alameda, 2nd Floor, San Jose, California ~ **Speaker: Mock Trial Part II**
- October 20, 2009** **Face to Face Board Meeting at 5:30 p.m.**
 5510 Almaden Expressway, Suite Ste A, San Jose, CA 95118
October 22-25, 2009 **CEA 54th Annual Educational Conference in Long Beach, CA**
- November 10, 2009** **Teleconference Board Meeting at 5:30 p.m.**
November 13-14, 2009 **CEA Board of Directors Meeting at Renaissance Hotel, Long Beach**
November 17, 2009 **Installation of 2010 Officers & Directors Dinner Mtg at 6:00 pm at Old Republic Title**
 1900 The Alameda, 2nd Floor, San Jose, California ~ **Speaker: Escrow-Opoly**
November 30, 2009 **2010 membership renewals due to CEA Headquarters**
- December, 2009** **Joint Meeting with 2009 and 2008 with Board of Officers and Directors**
Time and Date - TBD
December 31, 2009 **P. D. 502 forms due to CEA Headquarters**

2009 Officers and Board Members			
President	Anita Rubeck	alrubeck@firstam.com Anita.rubeck@yahoo.com	(510) 709-5318
Vice President	Lena Signor	lena@norcalescrow.com	(408) 267-2200
Secretary	Linda R. Murphy	Linda.al@comcast.net	(408) 203-0820
Treasurer	Joette Joseph	jjoseph@ortc.com	(408) 354-9128
Past President	Colleen Gallagher	colleen.gallagher@fnf.com	(408) 371-8040
Director	Joseph Difu	joe@1031xsi.com	(408) 377-6700
Director	Jackye Chai	jchai@ortc.com	(408) 296-4500x 325
Director	Philipe Doren	pdoren@hotmail.com	(408) 464-2158

Escrow Association of Santa Clara Valley

May's Dinner Meeting



Where: Old Republic Title at 1900 The Alameda, 2nd Flr. Conf. Room, SJ
When: Tuesday May 19th, at 6:00



*"My Mama used to say: You'd better check around...
with the Tax Man!"*

Michael Haas, CPA

*Tax implications rising from Short Sales, the RFO
fallout and the stimulus Package*

\$15.00 for Members and \$20.00 for Non-members

**Please note: RSVP's must be emailed to pdoren@hotmail.com
OR faxed to (408) 295-2891 no later than 3pm the FRIDAY BEFORE the meeting!**

Company Name: _____ Phone _____

Company Contact: _____

Name of guests	Member Y/N	Designation
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

Chicago Title-Kathryn Kelly: (650) 326-7538	First American(San Jose)Lauren Willis: lwillis@firstam.com
Cornerstone Title: ssayers@cornerstonetitleco.com	First American(Monterey) Lal Sutton: lsutton@firstam.com
Fidelity National Title-Jason Herrera: jhererra@fnf.com	North American-Pam Jackson: pjackson@nat.com
Stewart Title-Vickie Stermer: vstermer@stewart.com	Old Republic Title-Linda Bentson: lbentson@ortc.com

If your company is not listed or if you are the contact person for your company,
please email reservations to pdoren@hotmail.com or fax (408) 295-2891

"PD holders will receive 2 to 2 ½ credits for this dinner meeting & future general membership meetings."

The Value of a Cover Letter

Really, I'd rather entitle this article The Art of a Cover Letter.

Our industry has become automated with preprinted exceptions to title, general provisions, generic instructions and nonspecific letters. Without the existence of these forms our production would grind at a much slower pace.

There is still something to be said for the art of writing a cover letter, or at least customizing the generic letters contained in our data bases.

From the viewpoint of a claims officer, there is tremendous value when a file contains a cover letter stating:

WHO, was to receive the letter.

WHAT, was intended to be included with the letter, such as an original Note, home warranty contract, closing statements, etc.

WHERE, was the letter sent. Was it sent C/O the Realtor, their attorney or was the letter sent directly to the new address of the Seller? If the letter was picked-up from the escrow office, the letter should reflect that information.

WHEN, was the letter or package sent. Without a cover letter in the file containing a date, often times we are left guessing when an item or information was sent to the intended party.

WHY, was the letter sent to the addressee. Was it sent because the addressee requested the information? Or perhaps the Realtor requested information on behalf of the Buyer or Seller. Did escrow require signed papers and returned to the office? The letter should provide a description of the requested actions or requirements. The applicable information should be stated in the letter.

HOW, was the letter sent to the address. If the letter was sent via courier service, escrow should note the type of service in the letter. Such a notation is typically shown on the upper right hand corner, such as 'sent via Cal-O'.

We are all extremely busy , and there isn't a teeny bit of extra time to found anywhere, but a complete cover letter saves immense time and anguish in defending a claim in the future.

When composing a letter, ask yourself does the letter answer the **Who**, **What**, **Where**, **When**, **Why** and **How** questions? Having all these questions answered will make your file easy reading.

Anita Rubeck, CSEO, CEI
Forensic Escrow Services

CHECK OUT OUR WEBSITE AT [HTTP://WWW.EASCV.ORG](http://www.eascv.org)
FIND INFORMATION ON PAST NEWSLETTERS, PICTURES, INFORMATION ON CEA AND MUCH MUCH MORE.

QUESTIONS OR COMMENTS? PLEASE CONTACT THE BOARD AT [INFO@EASCV.ORG](mailto:info@eascv.org)

LAST CHANGE

EDUCATION CLASSES UPDATE

By Lena Signor, CSEO, CEI

Your Board of Directors of EASCV met for the February board meeting and we discussed what educational classes we should offer this year.

Due to the strained budgets of all of us, it was decided that we come to you, the members, and ask what you want us to do this year. Last year, in the months we did not have a dinner meeting, we held "Pizza & Education" nights. They proved to be popular and the cost was reasonable.



This year we have changed the dinner meetings from the Flames to Stewart Title. The cost was slashed to \$15.00 in hopes of more members attending the dinner meetings. We serve food and beverages and the new venue is proving to be a hit. But because the cost is the same as the "Pizza & Education" nights the board was not sure that you the members would want any additional nights of education



So this is your chance to let your opinion be heard. Please email Linda Bentson at lbentson@ortc.com or me, Lena Signor at lsignor@norcalescrow.com and tell us what you want. If you are in favor of the additional education nights let us know what topics interest you.

It is your opportunity to steer the association in a direction that you may want it to go concerning these education nights.

Hope you hear from you soon.

CEA Director's Report

Nor Cal Conference Committee Meeting

June 12 and 13 at the Marriott Hotel in San Ramon

Our region is quite active in helping make arrangements for the conference. From our region we have four members speaking. Kathryn Kelly, Warren Vaughn, Sandy Rose and I will give presentations. Plus our Lena Signor confirmed Michael Haas and Jim Sibley. Our region will take care of PD sign in and raffle sales.

The committee is working diligently to bring a quality program and at the same time keep within a very restricted budget.

CEA New Committee Meeting

Our committee has received many submissions from various sources such as attorneys, regulators and underwriters.

We are learning that many Real Estate and Attorney offices have a copy of our magazine available in their reception areas. The magazine should also be made available in title and escrow offices for reading by the employees as well as clients.

One of the benefits of membership is the receipt of the magazine at no cost. But the idea of making the magazine available for a subscription fee was discussed and will be presented to the executive board for consideration.

Membership Committee Meeting

The committee discussed the preparation of a 'script' for our members to use when conducting presentations. The script would include the reasons why a Realtor should conduct business with a CEA member and the value of an escrow officer with a Professional Designation.

This committee is working on a campaign to point out that membership is so much more than about the money it costs to be a member or the savings from reduced dinner meetings or materials. Membership in this educational organization is about the investment and commitment to keeping current on issues, standardized 'good' practices, fighting or supporting legislative issues and most of all learning, learning and more learning.

CEA will request AEA to reduce their membership fee and allow for a proration of their membership for new members who become members during 2009.

Forms and Practices Committee Meeting

Mike Belote discussed the newly introduced **bill AB 957**. This bill is concerning property that was acquired by a lender via a foreclosure. This class of Seller would be prohibited from requiring a Buyer to use a specific title/escrow company

The title companies who have this type of business want the Seller to guide the selection of the title/escrow company. Yet, the title/escrow company that do not have this business wants to be able to capture this business. CEA represents both of these entities.

CEA has written a response of "Support in Concept". Mike Belote explained to our group that "Support in Concept" is a sort of legislative lingo meaning, while we like the idea of the Buyer's availability to chose the title and escrow company, we understand there are legitimate interests of the Seller in wanting the transaction conducted efficiently and economically. CEA would like to be involved with the evaluation of this issue.

CLTA has taken a neutral stand on this topic.

Short Sale demands issued by Countrywide Home Loans contain a requirement that the title/escrow company give notice to Countrywide of any transfers that take place within 30 days after COE. CEA contacted and received from the legal department of Countrywide, that this provision will not be a requirement.

Some short sale lenders are starting to contact the Seller to suggest a modification of the loan instead of a short sale. With these modification offers, Sellers may want to back out of the short sale. The committee was suggested that the Seller also contribute a deposit into the escrow to discourage these activities.

Some lenders are including a collection provision on their short sale demands. The provision states that the seller understands that the lender can initiate the services of a collection agency for recovery of the remaining unpaid balance for up to five years. The committee agreed that the Seller should sign every single page of the short sale demand.

FTB liens: Will subordinate their liens. It is important to call FTB, as sometimes they want the owner to join the call to discuss the subordination. Sometimes the FTB will not allow any other lien holder to receive money. Sometimes they will require an appraisal or copy of the new Deed of Trust.

Anita Rubeck, CSEO, CEI
Forensic Escrow Services
Director

CEA Director Report April 2009

We met in Long Beach, CA again on April 24th and 25th. April 24th I spent in the Friday Executive meeting. In that meeting we discuss all business that we don't have time for on Saturday. The committees I attended on Saturday were:

Bill Review: Lots of hot topics.

AB33: There is a serious discussion at the State Capitol about reducing the size of government. With this bill the (if it passes) it says that "it is the intent" of the legislature to reduce the size government by creating a "super agency" called DFI (Department of Financial Institutions and get rid of the DRE, DOC, DRE and the OREA! No clear answer yet.

AB329: Reverse Mortgages to contain a 30-day right to cancel. Problems they're for sure, like being sure nothing is disbursed until the 30 days has passed. For obvious reasons the lenders are against it. The fight continues.

AB442: The bill would allow the notary to use a Matricula Consular Card from Mexico as acceptable ID for notary purposes. NNA doesn't like it, neither do the District Attorney across California and CEA has done some investigation into why the card is so controversial. The information provided to the Mexican government to obtain one of these cards is not really reliable. Others say the card has improved some but on one knows how it has been improved. So a big fight on this one continues.

AB724: Transfer Upon Death Deed issue is huge mess. Senate may kill the bill. In short, an owner of real property can record a deed to someone that person wants to inherit the property upon their death but it doesn't take effect until their death. See any problems there? Only a million that I can see. Just one for now: You know the lenders want people to take their properties out of trust to refinance? They would allow this either.

AB919: Any Deed of Trust recorded on residential property must have a rider to it naming each person involved with the transaction such as: appraiser, lender, loan broker etc. and list their license number. Just who is responsible for preparing this rider? Apparently the idea was to aid law enforcement in their investigations. CEA will be sure we are taken out of the issue of preparing this rider.

AB957: Anita reported on this in her report. I only want to add all parties concerned in this issue realize that there is a problem but they also know they need to come up with a solution acceptable to all. Hard road to travel I would think.

AB985: This issue has been around a very long time, striking discriminatory restrictions from CCR'S. It has been a fight for literally decades. It's back! Now they title (again) to be the responsible party for doing this.

SB306: A bill near and dear to my heart. After a few years of begging CEA to take up the issue with demands that expire the day you get them, they finally did. And it's SB 306 (which also contains other issues not of our choosing). Lenders are indicating that sellers make a last payment and then let it bounce. Escrow has closed and they are out a payment.

**CEA Director Report
April 2009 Continued...**

So they are saying 10 days is too long. Apparently on equity lines sellers are maxing out their credit lines AFTER the account has been frozen. I know, I know why are they allowing those checks to be cleared? Lender issue for sure but because if that they won't support this. So...any ideas on how to make this work? Please email me lena@norcalescrow.com . The other part of the bill that is CEA is the getting the lenders to address the short payment demand/agreements to title and escrow companies as well as the owners. No apparent opposition there.

Notables: AB898-Notary bill regarding proof of execution of Power of Attorney will not be allowed. SB204-Escrow agents (escrow companies) and there are a few of us right now in Northern California. This bill would do a with the financial code with regards to how often the Dept of Corporations would audit an escrow company (just for cause) among other things. Not really a good candidate for passing.

Next committee: AEA: The big AEA convention is coming up in June. A discussion was had about the new HUD and its impact on us. It becomes effective January 2010. But it was noted that if a lender is using the form BEFORE January 2010 you must comply or not do the escrow. A form can be found the HUD website if your software company hasn't updated your system before you get one of these deals.

Nest Committee: Professional Designation: Another project near and dear to my heart was putting the CEO and CSEO tests on the Car contract are a reality (almost). It has taken 4 years!!! The CEO test has been completed and the CSEO is almost there. Hope is the new CEO test will be used at the CEA October Conference test. I will keep you posted.

Thanks again for allowing me to represent you at the State level.

Respectively Submitted:

Lena Signor, CSEO, CEI
Senior CEA Director
2009 Secretary/Treasurer of CEA





Escrow Association of Santa Clara Valley

Minutes of the April Board Meeting

Dated: April 21, 2009

Called to Order: 5:50 p.m. By President, Anita Rubeck

At: Old Republic Title Company

1900 The Alameda, 2nd Floor, San Jose, CA 95118

Attendance: Anita Rubeck, Lena Signor, Linda R. Murphy, Joette Joseph, Jackye Chai, Joseph Difu, Colleen Gallagher and Philippe C. Doren.

Absent: None.

Guest: None.

1. Approval of Minutes: A motion to approve March 10th, 2009 minutes was made by Lena Signor; seconded by Joette Joseph. Motion carried or as amended.
2. Treasurer's Report: A motion to approve March 2009 Report was made by Jackye Chai; seconded by Lena Signor. Motion carried or as amended.
 - a. Bills to submit:
 - \$ 82.41 to Anita Rubeck for March dinner meeting food.
 - \$291.12 to Lena Signor for CEA March directors meeting.
 - \$115.00 to JC Vasquez for March newsletter and website.
 - \$19.95 to Daniel Eisenman for March web hosting.
 - b. Funds to deposit:
 - \$248.00 from March raffle.
3. Membership – Linda Murphy
 - a. Amount of total members: 31.
 - 29 Individual active, 1 individual associate and 1 individual inactive members.
 - b. San Mateo area members also attended our March dinner meeting. Anita will stay in contact so that they can maintain their PD Credits.
4. Professional Designation: Lena Signor.
 - a. Lena reported that we did not receive any responses to the "Pizza and Education" class inquiry article published in the March newsletter.
5. Site – Philippe C. Doren
 - a. Speaker for April 19th dinner meeting is Michael Haas.
 - b. Subject: Short Sales and Its Consequences.
 - c. Theme for the food will be Memorial Day – hot dogs, chips, etc.
6. Fundraiser Committee – Entire Board
 - a. Linda Murphy brought her copy of the Bay Area Entertainment book for the board to review. They are effective from Nov 1, 2009 to November 1, 2010.
7. Raffle Report – Colleen Gallagher
 - a. We should continue to sell the raffle tickets as:
 - 1 raffle ticket for \$5.00 and 3 raffle tickets for \$15.00
8. Historian/Photos – Joe Difu.
 - a. We decided not to use the disposable cameras - only a digital camera only.
9. Speaker Gift – Jackie Chai
 - a. We suggested a \$25.00 gas card as a gift for Michael Haas
10. Old Business
 - a. Joette Joseph made a motion to sell the 2010 Bay Area Entertainment Coupon books later this year, seconded by Lena Signor. Anita will follow up with more details.
11. New Business
 - a. Next Board Meeting will be on April 13th, 2009.

Adjourned at 6:35 p.m.

Respectfully submitted

Linda R. Murphy, CEO

Certified Escrow Officer

Secretary for the Escrow Association of Santa Clara Valley