

# NALTEA

National Association of Land Title Examiners and Abstractors

In this issue:

## Message from the *vice* President

**Message from the Vice-President**  
*Front Cover*

**Public Relations Committee Update**  
*Page 2*

**Sorry We Missed You**  
First American's *Claim*  
*Chronicles*, Bert Rush  
*Page 2*

**Education Committee Update**  
*Page 2*

**This May Be Your Last Newsletter**  
*Page 3*

**Land Grants and the Challenges they Bring the Abstractors and Title Examiners**  
*Page 3*

**NALTEA Membership Update**  
*Page 4*

Robert A. Franco, Vice President  
Email: vp@naltea.org

If you have not yet heard, NALTEA is trying something new. The first ever NATLEA Title Camp is set for October 21, 2006 at the Hampton Inn—Broadway at the Beach in Myrtle Beach, South Carolina. We heard many times that abstractors were interested in more localized events and Jan Forster approached the board with the concept of Title Camp.

Title Camp is a free-form, one-day event. There are no guest speakers and no pre-determined agenda. Instead, attendees will suggest topics for discussion that will determine the structure of the event. The open forum will be more like a round table discussion with session leaders to keep things moving and on the right track.

This will be an excellent opportunity for local abstractors to meet and share their thoughts on the industry. Because it is local, the attendees will be able to focus on issues that may not be suitable for a forum like NALTEA's national conferences, but are none-the-less important and need addressed.

Lynn Hammett, a NALTEA board member will be there to provide more information on what the organization is all about to give non-members a chance to learn more about why we need a national association to represent the abstractors. Local events, such as this, provide an opportunity for abstractors who are unable to attend distant national conferences to get involved and provide input to NALTEA.

NALTEA is covering the cost of the conference room and Jan Forster is organizing and hosting the event. This will allow for attendees to attend without any conference fees to encourage more participation. Since this is a one-day event, those local to the Myrtle Beach area will not need accommodations; however, anyone wishing arrive the night prior to can stay at the Hampton Inn or choose another hotel in the area.

If you are near Myrtle Beach, I encourage you to attend and support

NALTEA. There is only room for 60 people in the reserved space, so pre-registration is necessary. You can register by e-mailing Jan Forster at [realhappy@mindspring.com](mailto:realhappy@mindspring.com), or by calling her at 704-293-7353, or by faxing her at 704-921-8522. Please provide her with your name and any organization you represent. If you have a suggestion for a topic of discussion, please mention that as well.

Title Camp is a great way to get more local abstractors involved in NALTEA . Because so much of the title industry is localized, with unique concerns, this forum will allow NALTEA to get input from more people regarding issues that are important to them and allow them to communicate with others who face the same hurdles.

The board of NALTEA is excited about the possibilities and more Title Camps will likely be planned for other regions as interest arises. If you think you would be interested in hosting a Title Camp in your area, please contact NALTEA at [info@naltea.org](mailto:info@naltea.org) and someone will contact you to help organize it.

We will report back to you with the details of this event to let you know how things go. We would all like to say thank you to Jan Forster for suggesting the idea and for volunteering to host this first Title Camp. Also, to Wendi See for volunteering to be a session leader. NALTEA is a not-for-profit organization run entirely by volunteers. Without their hard work and dedication, none of this would have been possible.

As always, we would like to hear what you think. Please e-mail your comments or suggestions to [info@naltea.org](mailto:info@naltea.org). The board is dedicated to making NALTEA an organization of abstractors, for abstractors, and your input is vital to accomplishing that goal. Let us know what you want to see from NATLEA.

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## Public Relations Committee Update

Patrick Scott, Board Member  
Email: pr@naltea.org

The NALTEA Public Relations Committee welcomes its two newest members: Quannah Rhodes, of InfoTrack Inc., Deerfield, Illinois and Vikki Moffitt of Southern Abstract Services, LLC, LaGrange, Georgia.

We are completing some reconstructive work on our recruitment flyer as part of our ongoing membership drive. We expect the flyer to attract new multitudes of abstractors to join us in our efforts to see that our members become the most respected, and sought after, in the industry. The new and improved flyer will be available for distribution upon approval by the board of directors.

The committee has initiated a dialogue with Jeff Schurman, Executive Director of the Title Appraisal Vendor Management Association, to identify areas where the two organizations might benefit from mutual support. While the members of NALTEA and TAVMA may not agree on all issues affecting the title industry, we recognize the potential benefits of a stronger, combined voice on topics where both segments of the industry are in agreement.

We are also in the process of gathering contact information for additional industry-related organizations to contact for similar purposes. We are optimistic that these new contacts will lead to greater understanding of the vital role that independent abstractors fill.

A reminder to the current NALTEA membership: It's renewal time! Don't let that application for membership renewal get buried in your "To Do Tomorrow" bin. Tomorrow never comes.

## Sorry We Missed You

Reprinted with permission from First American's *Claims Chronicles*, by Bert Rush.

**Incline Village, Nevada** -- First American insured buyers of this residential condominium overlooking Lake Tahoe for \$185,000.

Just prior to closing, our examiner checked public records at the Washoe County Recorder's Office to rule out the possibility of a last minute filing which might affect title. This "last look" revealed nothing, and the sale closed November 6, 1995.

Several months later our insured owners heard from the IRS, which threatened to enforce a tax lien against their new home.

An attorney hired by First American soon learned that the IRS had, indeed, recorded a federal tax lien against the seller, D.T. Frame, on November 1, 1995. The amount claimed due was \$318,671. It mattered not that our insureds were innocent bystanders.

Our examiner missed the tax lien because the recorder's office originally indexed it under the name "DT Frame," so it was not located when we searched under "D.T. Frame." The recorder's computer was not

programmed to accept periods for indexing purposes.

First American settled with the IRS, paying \$144,000 for a release of the tax lien. The Company also incurred legal expenses of \$3,620.

Meanwhile, the recorder's office has tweaked its computer system so it now handles periods.

## Education Committee Update

Lynn Hammett, Board Member  
Email: education@naltea.org

The Education Committee has been working with Jeanne Johnson on revisions to her existing "Principles of Abstracting and Land Records Management" book for a proposed national study guide, which we anticipate will be approved by the NALTEA board as a reference source for NALTEA's Abstractor Certification. The next step is to review and increase her glossary of terms, which we hope to have finished by the end of October. Jeanne is also cross-referencing the original NALTEA certification test to be sure all subjects are included. Lynn Hammett is gathering some document samples to add to the appendix and is also compiling "**Abstracting Standards and Ethics and Professional Responsibility Statements**," geared specifically for abstractors when searching courthouse records and working with clients. It is our intent to present the "Abstracting Standards and Ethics and Professional Responsibility Statements" to the NALTEA board for consideration and adoption. Hopefully, we can include those standards in the publication as well.

While we are working to adapt the manual, we are also reviewing and adding to the test questions compiled by the education committee nearly two years ago. Those questions are being re-worded to ensure clarity and originality. While we hope to add some state specific questions in the future, for the time being we are focusing on questions that are more specific to the nature of real property, abstracting titles and reporting in general.

The process has been slow and tedious, but definitely worthwhile. Now that we see the end of one portion of this project in sight (the manual), we are preparing to jump into the next phase of the process...the test and the requirements. If all goes well, we'll be prepared to present the complete package at our next conference with implementation sometime in 2007.

**NALTEA Members can use their membership number as a coupon code for 50% off of Subscriptions to Source of Title, and 10% off of enhanced listings.**

## **THIS MAY BE YOUR LAST NALTEA NEWSLETTER!**

As you are all aware, membership dues are due September 1 of each year. If you have not renewed yet, your invoice is enclosed in this issue of the newsletter. If you have recently made a payment and still received an invoice, you can disregard it. If you do not renew soon, you may not receive the next issue of the NALTEA newsletter.

Your support is important to NALTEA. Independent abstractors need national representation. There is nobody else representing us, as recent changes in Kansas certainly indicate.

The recent passage of Kansas House Bill No. 2659 states "No preliminary of final policy or contract of insurance to be transacted in this state... may be written unless and until the insurance company or its agent has caused to be conducted a reasonable search and examination of the title to the property... For owner's policies of title insurance and loan policies of title insurance insuring purchase money mortgages, *such search and examination shall be conducted by a title insurance agent or an employee of a title insurance company licensed to do business in this state or an abstractor licensed to do business in this state.*" Abstractor licensing in Kansas is nothing new; the state has required it since the 1940's. However, the requirement has not been enforced and many abstractors were unaware that they were in violation of the statute.

While licensing for Kansas title agents is a function of the Kansas Department of Insurance, abstractors are licensed through a separate division, the Kansas Board of Abstractors. Title agents, as is typical in most states, must have an affiliation with an underwriter in order to take the test and become licensed. However, abstractors are not required to have such an affiliation—they are merely required to take a state exam. The state exam for abstractors is an eight-hour test administered in four parts. The exam is offered only twice each year, in March and September.

The passage of this bill caught many by surprise and they are unable to obtain their licensing quickly enough to comply with the law. This has already caused at least one Kansas abstractor to lose a large client.

While licensing may be a positive step in many cases, abstractors need to be aware of their state's requirements. It would also be beneficial for the abstractors to have representation in the drafting of legislation that affects the implementation of licensing. For instance, it would have been advantageous if NALTEA could have lobbied for a delay in the implementation of this bill to allow for those abstractors who were not licensed to have an opportunity to take the exam.

NALTEA has the potential to become a strong proponent on behalf of the independent abstractors, however, it requires many of us to join together to make a difference. Many may think that this just affects Kansas, however, without a large organization capable of representing us it may just be the first of many states to

tighten up their licensing requirements. The major proponent of this bill was the Kansas Land Title Association and this shows that the land title associations have diverging interests and they are not always representative of the independent abstractors.

NALTEA has already been involved in the state legislative process in Michigan. Our president, Wanda Steudel and, board member, Patrick Scott, traveled to Lansing to join with some of the county registers of deeds to provide input on a bill that would have allowed large companies to continue to buy public records in bulk for nominal costs compared to what the independent abstractors pay for copies in order to build vast databases that provide an alternative to utilizing the services of the state's many independent abstractors.

The large companies in Michigan had already lost in a court battle and have turned to the state's legislatures to pass a new law so they could continue their practices. The abstractors need more representation to oppose legislation that conflicts with our best interests.

You can help by renewing your membership. At only \$200 per year, the membership dues are very affordable compared to other national organizations. With enough support, NALTEA would have the resources it needs to address these issues, and others, before they spread across the country to your state.

In addition to renewing your membership, please encourage your peers to join NALTEA. The public relations committee and the membership committee are working together on a membership drive to help attract more members. As an all-volunteer organization, your help is vital. Share your newsletter with others, let them know that there is an organization out there that does represent them, and help them find out more about NALTEA.

The independent abstractors need to have the support of a national association in order to address issues such as licensing, online public records repositories, competition from over-seas, title search standards, electronic recordings, etc. All of these aspects are changing the way we do business and if we do not step up and work with the industry and interject our concerns, we will be able to do nothing but complain when we are not longer able to remain a part of it.

## **Land Grants and the Challenges they Bring the Abstractors and Title Examiners**

J. Richard Martinez, Board Member  
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New Mexico, as well as many other states in the southern United States are unique in that they contain "land grants", which were created to promote settlement on the frontier.

Land grants were established and made available to individuals and/or communities during the Spanish (1598-1821) and Mexican (1821-1846) periods of New Mexico's history. New Mexico, with the oldest land grants, had over 150 community land grants totaling some 9.3 million acres

awarded by the Spanish and then the Mexican governments.

There were two types of land grants issued which were “private grants” that went to individuals and “communal grants,” which went to communities for the purpose of establishing agrarian communities and establishments.

Communal land grants were also issued to Pueblos for the lands that they inhabited long before the Spanish settlers had arrived and created a buffer between the Pueblos and the patrons of the Spanish government.

Land grants to this day, in New Mexico, contain NO sectionalized land as commonly known in the Public Land Survey System (PLSS) created by the federal government, which utilizes the “section”, “township” and “range”.

The challenges the abstractor has in attempting to locate parcels utilizing the legal description, plot them out and placing that polygon where it is located on the earth using coordinate methods requires good drafting knowledge.

Most legal descriptions located within a land grant use a triangulation station as a “survey reference” or “tie” to locate the position of the parcel on the earth in it’s correct location. This is unique in the fact that most metes and bounds descriptions cite how far and at what bearing a corner of a parcel is located in reference to a section corner.

There are no sections located within a grant because the grant was given to an individual or community by the Spanish or Mexican governments, whereby the land is not part of the public lands of the United States.

The challenges the abstractor and title examiner have are knowing how to obtain the coordinate information from the State Engineers office and to find all triangulation stations in the area of interest. What is meant by this is knowing where the subject parcel is in reference to the closest survey “tie”.

Why is this so important? Because most anyone can plot out a parcel utilizing the metes and bounds legal description, BUT can they position the polygon in it’s correct position on the earth?

Surveyors have come up with a solution that allows the above situation to be possible and that is establishing a coordinate network so that a series of brass caps are positioned throughout a land grant with known coordinates instead of section corners.

Please keep in mind that all coordinates established for all brass caps within land grants were originally established from the closest section corners, that also have x,y coordinates. This allowed the surveyor and draftsman the capabilities of running a traverse to where the parcel is located within a land grant.

Attached hereto and made a part hereof is a portion of Santa Fe County, New Mexico and the 39 land grants that exist to this day for please notice how sectionalized land abuts the land grants and the irregularities of the boundaries.

Land grant boundaries, to this day, are still causing disputes and questions due the accuracy of section lines and the inaccuracies of the land grant

boundaries, mainly the way land grant boundaries were originally described because many of the descriptions were not definitive enough to establish a true mathematical boundary, unfortunately.

Properties in land grants find themselves in a category of uninsurable to barely insurable because of legal description issues faced when a surveyor attempts to survey a property and the boundaries are not well-defined. The surveyor faces the issue of whether they should jeopardize their license by generating a metes and bounds legal description and prepare a plat of survey from a poor description.

Prior surveys in the same area may constitute good reason that a surveyor’s opinion of the legal description is valid enough to establish property corners and a metes and bounds description sufficient enough to create a plat and “new” boundaries. Once a surveyor finds other established corners from a prior survey and a plat filed for public record reflecting such, then that surveyor can utilize his constituents information to help create the information for his client.

So, abstractors need to be aware of the challenges when attempting to find a property, plot a legal description or decipher x,y coordinates to establish the location of a property within a land grant (Example: City of Santa Fe [within a land grant] established coordinates on all manhole covers for survey ties, so if you do not know the coordinates to a particular manhole you cannot place the polygon correctly within the county) because a parcel can be drawn but “where is it located within the county”?

## **NALTEA Membership Update**

Nikky Eisenhuth, Committee Chairperson  
Email: [membership@naltea.org](mailto:membership@naltea.org)

NALTEA welcomes the following new members.

Peachtree City Title Services, LLC Kelly Faris	Peachtree City, GA
Reliance Land Security & Trust Associates, LLC Mark A. Ginzo	Hialeah, FL
Title Busters Inc. Tony Alosco	Riverhead, NY

This brings the total membership to 124 members. You can help NALTEA reach its goal of doubling the membership this year by spreading the word among your peers. Share your newsletter with them and let me know they can find out more info at [www.NALTEA.org](http://www.NALTEA.org). If you know someone that may be interested in becoming a member please e-mail [membership@naltea.org](mailto:membership@naltea.org) and someone will contact them with a membership application.