

NALTEA

National Association of Land Title Examiners and Abstractors

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Mary Mitchel, President
Email: president@naltea.org

Upon reflection, this past month has been quite productive. Although I am sure that our committee chairs will be summarizing their progress in this newsletter, I wanted to mention a few items myself. NALTEA is close to implementing a new "Members Only" benefits resources page on our Web site. This will be a great place to go to explore products and/or services that will be offered to our members at a discounted rate. It is our intention to limit these benefits to those that we feel would have the most positive impact on our membership. They may include such things as: software to assist you with your everyday business tasks, commercial collection service providers, title reference materials, just to name a few. Be sure to stay tuned for future announcements. Over the past month, I have been approached by several publications seeking NALTEA's opinion, through me, on many issues. The most prevalent being, you guessed it, online public records. More specifically, the impact current changes to public records indexing, maintenance, etc., are having, as they relate to our profession. With concerns over Social Security numbers, and the redaction of private information from some records in general, I think everyone would like to know what direction the industry is taking. Don't we all wish we had the proverbial crystal ball?

Technology is a wonderful thing, however it can be a loaded gun in the

hands of someone who is not experienced enough to handle it properly. Much like any computer system, online access to some records can be extremely helpful in your research and can save a substantial amount of time. Public access systems are only as good as the user. The danger lies in the sole dependency on these systems by many who think they know what they are doing and, therefore, never step foot in a county registry/courthouse. As I have always said, "Garbage in, garbage out." If you do not know & understand how the records were indexed, or the quirky little ways to pull up certain names, docs, etc., you are doomed before you begin. We all know that every county has its little "rules of thumb" for properly locating certain documents, for certain time periods. You would have no way of knowing those types of issues unless you spend time in, and get to know, your county. That is why we are so very important to this industry, regardless of what direction it may take in the future. Of course, all of that being said, this is just my humble opinion. I would love to hear what you think on the matter. Your opinions are very important. After all, this entire board is representing you.

Please be sure to keep an eye opened for upcoming announcements, requests for your input, etc., both in this newsletter and the NALTEA Web site. As always, please feel free to drop me a note or to contact me at any time. I can be reached at: (585) 229-7806 and/or e-mail to: mmitchel@accusearchco.com OR president@naltea.org. I would love to hear from you.

Unique National Abstracting Manual approved as Resource for NCA Designation

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NALTEA is proud to announce that the Education Committee has approved a national manual to assist in its premier NALTEA Certified Abstractor (NCA) designation. Many of you participated in the process and are aware of the efforts NALTEA members made to attain this

goal.

The NCA accreditation is the first national designation for Abstractors, and is designed to demonstrate both a significant level of national knowledge in the industry and a commitment to a higher level of service to the consumer by independent

(Perspective... continued from front cover)

abstractors. The NCA accreditation, while currently the highest level achievable, will ultimately be the first of three achievable levels. Each stage will be awarded after a higher level of rigorous evaluation by the organization.

The designation will require membership in NALTEA along with passing a fairly extensive national examination. The 100 question multiple choice examination is well underway. It cannot be stressed too much that the test focuses on *National* issues. The committee has currently approved approximately 175 of the pool of 300 base questions it wishes to test. The goal is to have different questions, so that as different people take the test, each test will be similar, but different. That way the test will be more secure from piracy. The test will be offered through a to-be-determined national testing service.

An approved manual, created in conjunction with Jeanne Johnson & Associates, covers issues that most abstractors and examiners deal with daily. It stresses both similarities and differences in different markets. For example, we all know that a Mortgage and a Deed of Trust are similar, but do you *really* know the difference so that we could explain it to a customer? The manual is an invaluable tool. It uses a number of items to help the abstractor learn and retain information. For example, each chapter has

- Specific Learning Objectives
 - A list of key terms
 - Written content about the subject, including many documents, graphs, charts, indices, memory pegs to help retain information, etc.
- Specific Multiple Choice Questions (with answers) for each chapter

The manual is complete and available online at <http://landrecs.com/pages/national.html>

Higher designation levels are still being reviewed. Consideration is being given to requirements that advanced work be provided for analysis, and/or that recommendations be provided by customers. A national education oversight committee is currently analyzing the process.

Many of you, in your individual work with NALTEA and on various committees have contributed to achieving our NCA accreditation, and we appreciate your support. This is an important accomplishment in which we should all take pride. It positions us for a successful future and shows that we wish to deliver an excellent product and great service. Please consider achieving the NCA designation, to tell your customers of your commitment to our industry.

Attention: The NALTEA Members-only section is nearly complete. Soon you will see the link to log-in on the NALTEA Web site and you will be able to request your membership number and password to be sent to the e-mail address you provided to NALTEA on your membership application.

Event/Planning Committee Update

Joanie Ripley, Chairperson
Email: events@naltea.org

Spring is only three weeks away, time sure does fly by. It seems like yesterday we were in San Diego at the NALTEA Conference. And what a successful conference it was. Great speakers and a great location, (although a bit chilly). What a wonderful opportunity to meet new members and to expand our relationships with the abstractors that so many of us only see once a year.

I would like to thank my committee members, Kristi Eth-Duncan, Jan Vogeler, and Tim Lunn, who is our Board Adviser, for their hard work. And a special thank you to Jan Vogeler who really worked so hard in securing the location and making sure our hospitality suite was stocked with food and drink for the weekend and the many other details of the conference. Jan was a very busy lady all weekend.

Our committee has a new member, Heather Arndt from ABC Services, Inc. in Le Center, Minnesota. Welcome, Heather. We all look forward to working with you on putting together our next conference.

Talking about our next conference, we are busy scouting out new locations for January 2008. We are looking at: San Antonio-TX, Memphis-TN, Charleston-SC, Las Vegas-NV, Atlanta-GA, New Orleans-LA.

We would love to hear from you if you have any suggestions. I know the Northeast was mentioned by some of you. How many of you would like the conference held in the Northeast? What state? We would also like to hear from those who were unable to attend this past conference. Where would you like to see the next conference held? How far are you willing to travel? I know most people like a warmer climate in January. So far we have been in OH-TX-VA-FL-CA.

Please let me hear from you at jripley@accusearchco.com.

We will keep you informed as to our progress in planning the NALTEA 2008 Conference.

Abstractor Apathy

Robert A. Franco, Vice President
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The definition of apathy is a “lack of interest in or concern for things that others find moving or exciting.” It is certain that the majority of abstractors do not share our passion for NALTEA. The one thing that is common to all of us, the members of NALTEA, is that we care about our profession, we see problems that we all share, and we are willing to work together to attempt to address them. What we need to figure out is how to convey the importance of our message to all of the others out there to get more abstractors involved.

The biggest reason we have heard from those who don't want to join NALTEA is that we don't offer anything

in return for the dues. While that is not entirely accurate, we have to work on promoting the benefits of being a NALTEA members—both the tangible and intangible.

We will soon have our members-only section of the Web site up and we will be informing abstractors of the tangible benefits we are offering. Currently, we issue a monthly newsletter to keep the abstractors informed of what is going on in the industry. NALTEA members are also entitled to a significant discount on Source of Title subscriptions and enhanced listings.

Once we get the members-only pages up on the Web site, we will also be adding other benefits. Jeanne Johnson's book, as mentioned on the cover page, will be available to NALTEA members at a discount. NALTEA is currently working with Mike Johnson of Johnson Mapping Software to arrange a discount on his "Deed Plotter" software. And, Wexford & James will be offering a discount on collection services, as mentioned on the back cover. Additional benefits are being worked on and will hopefully be added as they become available.

Some tangible benefits that we would like to offer are just not possible at this time, mainly because we simply don't have enough members to offer potential partners. For example, health care coverage and E&O insurance. Though, E&O insurance may be possible once the NALTEA certification is completed and we can demonstrate that our certified members present a lower risk for coverage. By taking the initiative to certify abstractors, we can show that certified abstractors possess greater knowledge, education, training, and that they take a greater interest in their profession.

But, the intangible benefits offer much greater potential. The title industry is in turmoil. Congress, and the regulatory offices, are taking notice of sham affiliated business arrangements, illegal referral fees, foreclosure issues, and the practice of over-charging consumers. The time for us to voice our opinions has never been greater. While they are investigating, and before they pass new laws and regulatory rules, is the time that we need to let them know about the value of a thorough title search conducted by a skilled professional abstractor.

Every other player in the real estate industry is represented by a strong professional association advocating their needs: The National Association of Realtors, The Mortgage Bankers Association, The American Land Title Association, the National Notary Association, The Title/Appraisal Vendor Management Association, etc. These other organizations all have more members, more resources, and a stronger voice. Most of them have much larger corporate members, which equates to more money to represent their interests. It is certain that their interests are very different from ours—they will not adequately represent us. If we want to effectively protect our future and see positive changes for abstractors implemented in the changes that are coming, we need to be proactive in growing NALTEA.

The first thing we have to do is figure out what is causing the "apathy." Why do the vast majority of abstractors fail to take an active interest in the only professional association that represents their needs? One possibility is that they believe that the effort would be a futile waste of \$200. From my experience, abstractors have

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Email: publications@naltea.org
Feel free to submit an article for publication, or just an idea for us to explore for an upcoming edition.

buried their heads in the sand and they don't want to see what is really going on in the industry. They have their clients, they do their work, and if they are lucky they get paid for it. They haven't yet had any major problems and they don't believe that what has happened to so many others will ever happen to them.

Another possibility is that abstractors are so afraid of their competition, that they do not want to band together to do anything that might benefit them. When NALTEA first began, there were a few who said that they didn't want to tell their competition about NALTEA because they felt that it would be giving up a competitive advantage. However, that point of view completely defeats the purpose of national organization. All of the Big 5 underwriters belong the ALTA—they are competitors, yet they understand that by advocating their common interests they can all reap the benefits that would not be possible if with individual efforts.

Of course, it could just be that the abstractors have been so depressed by their much more powerful clients that they simply cannot afford to join. My question for them is "can you afford not to join?" What will happen to your business in five years if you continue to do nothing to protect it? The industry is not going to come to a realization that online searching from India, automated title searches printed in less than one minute, or the continued decline in search standards is hazardous to the health of the industry and potentially damaging to the consumers. They understand that if they can continue to write policies and collect premiums without the cost of a thorough title search, that is going to improve their bottom lines. We need to lobby regulators to help them understand this is not a safe practice for consumers.

All of us need to be involved in the solution. We are the ones who see the benefits of NALTEA and we need to work together to change the perceptions of the other abstractors. You need to be a part of the discussions. E-mail your thoughts to info@naltea.org.

Most importantly, talk to your fellow abstractors about NALTEA. Take a copy of your newsletters to the courthouse for them to read. Let them know that past issues are available on the Web site, at www.naltea.org, and invite them to learn more.

If you know someone who is interested, let us know and we will e-mail them with more information about becoming a member. The more members we have the more successful we will be in representing the abstractors and lobbying for change.

Proactively Managing Accounts Receivable

Dave Gaer, President, Wexford & James
www.wexfordjames.com

Cash flow is what fuels the engine that drives your business. Delinquent accounts are the brakes. Survey results indicate the probability of full collection on a delinquent account drops with the length of delinquency. The probability of collecting a delinquent account drops to 70% after just three months, to 52% after six months and to only 23% after one year. Although these percentages can vary by industry, the survey clearly demonstrates the importance of having a system that addresses overdue accounts. How your business sets this up is an individual matter, the important thing is to have a system.

Some steps that may help your company minimize Accounts Receivable issues are as follows:

1. Customer satisfaction phone call or visit; A friendly call from the Credit Department or visit by your salesman on or about the time payment is due allows you to inquire about your performance to ensure you met your customers needs.

2. First overdue notice phone call: A friendly reminder that the due date has passed. You are assuming they have forgotten, neglected, or lost the bill and will pay with a gentle reminder. Ask when payment is scheduled to be made and how they intend to pay. A duplicate invoice can also be sent with "Past Due" stamped on it. (approximately 10 days after invoice due date)

3. Second overdue notice; Another gentle reminder, this can be a short letter with a duplicate invoice. Keep it friendly and non-threatening. (20 days after invoice due date)

4. First collection phone call; Find out if there is a reason for nonpayment. Be courteous, but also get a commitment to pay. If they say a check was sent find out the date it was mailed and ask for the check number. (within 10 days after second overdue notice)

5. First collection letter; Be courteous and consistent but direct with your letter. Confirm your conversation date (step 4). As we discussed, you will send payment in full, please mail check today, we will expect payment by. (1-2 days after first collection phone call)

6. Second collection phone call; The account is now about 45 days past due. Be polite yet firm and request payment in full immediately. If they cannot pay immediately, get them to commit to a payment date or agree to a payment plan. (7-10 days after first collection letter)

7. Second collection letter; Account is now almost 60 days past due. This letter should communicate the seriousness of the delinquency and demand immediate payment. (7-10 days after second collection phone call)

8. Third collection phone call; Account is now over 60 days past due. Remain polite and calm but stress the seriousness of the situation. Use this phone call to explain that this is the last opportunity to pay or arrange a payment plan before you take other action (ie turn the matter over to a collection agency). Explain the benefits of resolving the issue (ie maintain good relations, avoid additional costs or affecting their credit). Get a commitment to pay by a specific date. (7-10 days after second collection phone call)

9. Third collection letter; Confirm your third collection phone call conversation in writing. (immediately following the third collection phone call)

10. Contact a third party; Turn to a professional if your internal efforts do not prove successful.

This is not a "one size fits all" plan. Each situation is unique and requires individual analysis. Attention to your Accounts Receivable should be now rather than after the fact. The time to have considered -and improved-the reliability of New Orleans' levees was before Katrina.

NALTEA Membership Update

Nikky Eisenhuth, Committee Chairperson
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NALTEA welcomes the following new members:

Kelli Marske	Battle Creek, MI
APL Warranty Title, LLC Anita Blacklund	Anoka, MN
Covenant Title Services, Inc. DBA First Choice Title Gail Drake	Gainesville, GA

This brings the total membership to 105 active members. We could always use more help bringing in new members, you can help by spreading the word about NALTEA among your peers, let them check your newsletter and let them know about the referral program, (the form can be downloaded at www.naltea.org). If you know someone that may be interested in becoming a member please e-mail membership@naltea.org and someone will contact them with a membership application.