



NALTEA

The National Association of Land
Title Examiners and Abstractors

Message from the President

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Back in April, I brought up a topic that was new and interesting to me in this newsletter. It was not a topic I had conceived on my own but, rather, one I had taken interest in while perusing the Source of Title forums. If you happened to miss the April issue, well, the first thing I would point out to you is that it's still available for your reading pleasure at <http://www.naltea.org>. For your convenience, I'll say it again. The topic that got me so agitated were the vendor agreements that seem to be more commonplace than they had been in the past.

Being president of NALTEA has its advantages, one of which is the privilege of setting the agenda for the meetings of the board of directors. So, I ran it up the flagpole, so to speak. I wanted to find out whether our members should be concerned at all with the increasingly lopsidedness – it seems to me – of the signed agreements, or whether the language contained in them is just routine protection from the purchasers of our services.

Not being an attorney myself, I'll admit that I have never been comfortable with those agreements, although I've signed a few that seemed reasonable. Maybe you have declined to sign agreements such as these, and have gained the client nonetheless. Maybe you have stricken objectionable clauses and have gone on to enjoy a fruitful relationship with the client. Or, maybe your business is processing fewer orders because you refused to sign an agreement, the ramifications of which you questioned.

With no attorneys on your staff, and without the means to run each of the agreements past an attorney on contract, what to do? At this point, I believe we have a lawyer available to NALTEA who is prepared to dissect one such agreement and explain the language contained in it at our October conference. If all goes well, you will soon see the speaker confirmed on the Events page of the NALTEA website. The presentation will be followed by a round table discussion, giving our members in attendance an opportunity to discuss their experiences with the agreements they have been asked to sign as a condition of doing business.

NALTEA is close to confirmation of several interesting conference speakers. We're focused on topics intended to help our members run increasingly profitable businesses in a rapidly changing business environment. We'll tell you more about the program and the presenters as they are confirmed. Our October conference always features our annual meeting of the membership. While members are always welcome to attend our board meetings via phone conference, this is generally the only meeting we ask that all of our members attend. We've ordered a perfect weather weekend for Clearwater Beach, Florida, for October 21 –23. Flights are easy into the area, and there's plenty of time to find deals on airfare. Help us make this the most attended NALTEA conference ever. You'll be glad you did.

Board of Directors Update

Ed Gunther

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The NALTEA Board of Directors met on Monday, July 18th for the regularly scheduled meeting. Present for the meeting were board members Pat Scott, Debi Merrill, Jill Kissell, Dave Pelligrinelli and Ed Gunther along with officers Vice President Doug Gallant and Secretary Tamikio Easley. The June board meeting minutes and along with the Treasurer's report were reviewed and approved unanimously.

The Education Committee is prepared to present the Certification Review Class at the upcoming August 20th Meet & Greet in Nashville. Debi Merrill will be hosting the event and will administer the Certification Test at the conclusion of the Meet and Greet.

Debi Merrill has been making the final arrangements for the upcoming Nashville Meet & Greet. Debi's Meet & Greet will follow the August 19th Old Republic National Title Insurance Company 2011 Annual Seminar. NALTEA will have a booth at the seminar to raise attention for NALTEA and attract attendees to the Meet & Greet the following day at the same Nashville Doubletree Hotel.

The attention of the Board has focused on bringing the 2011 Annual Conference to new heights. Doug Gallant has confirmed Robert Holman of the National Association of Independent Land Title Agents as one of our Speakers for the Conference. NAILTA and NALTEA have many similar concerns. Robert Holman will speak to the current state of the industry and where it is headed. For more information on NALITA: <http://www.nailta.org/>.

We are waiting on confirmation of speakers touching on numerous topics of interest for the NALTEA membership such as: vendor agreements from a legal perspective, non traditional searches, marketing, business development, and the state and effects of off shore entities on the title abstracting industry.

This year the conference will again feature the Train the Trainer Session, the Certification Review Classes and Certification Testing. And don't forget the conference counts for your Continuing Education Credits.

The Sheraton Sand Key Resort has a registration website for NALTEA's annual conference and reservation can be made online at the reduced rate of \$119.00 per night. Conference fees this year will be increased by \$25.00 for Early Bird, Member and Non Members.. We still have the best conference for the money of any organization in the industry.

The Board is continuing to gather documentation for our position paper on Off Shore and Outsourcing of title abstracting. Quotes form individuals involved in the process are being sought.

The Board will meet again on Monday August 22, 2011 at 5:00 pm central time.

Become a Certified NALTEA Abstractor!!

NALTEA offers two designation levels so you too, can be recognized as an industry professional. In addition to offering the exam at our annual conference, the test is available at our Nashville Meet and Greet on August 20, 2011. Plan on attending this event to sit in on the Review Classes and then take the exam.

Upon passing the exam you are designated as a NCA/NMA for a 2 year period and can continue to use the designation as long as you maintain the requirements needed. If you are a member of Source of Title, your designation shows within your listing. Please take time to review the requirements at www.NALTEA.org.



5 Challenges Facing Professional Title Abstractors and How to Overcome Them

David Pelligrinelli

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1. Off-shoring / Outsourcing

The appetite for business coming from Western Asia for title search business is not letting up. This week I received more emails from processing centers offshore than any other time I can remember. The companies are offering to perform everything from abstracting to document scanning to data entry. Of course, the rates appear cheap. How does a US based professional abstractor compete with this? The answer is not trying to compete for that business. The orders steered towards off-shore providers are the basic less-critical searches which can be performed using online records, by less experienced contractors, and requiring little understanding of the documents' contents.

As a seasoned and experienced abstractor, your skills are overkill for these types of searches. Chasing \$20 current owner searches on vanilla residential properties is beneath the skill level you can offer. Keep looking for the complex searches on commercial properties, chains with troubled histories, or where online records won't do. As you become known as the expert "go to" person for the hard searches, more will come your way.

2. Lower Real Estate Industry Volume

The real estate industry is seeing lower transactions for sales as well as mortgage refinancing. Fewer transactions means less search volume. To make up the difference look for opportunities outside of the real estate industry. For example, attorneys need title searches for divorce cases and lawsuits. Some might intend to perform the searches by themselves, but a professional title search can demonstrate the value in letting them spend their time on more productive efforts such as cultivating new cases or working on existing ones. If they bill their time at \$400 per hour why would they want to waste 2 hours running a search when you can do it for less than \$800? Searches are needed for litigation, loan modifications, debt collection, bankruptcies, and a

number of other events which are more common now. For those at the 2010 NALTEA Conference you also learned from conference speaker Bob Philo about the opportunities in providing expert witness reports and testimony.

3. Short Searches

When a traditional real estate transaction does occur the party responsible for a search is more likely to be looking for a current owner search, or even less. If pricing is an issue offer to agree to their price in exchange for concessions such as pre-payment or waiver of liability or scrivener-only type relationship. No sense in putting E&O at risk if the client does not want you to perform a full search. Check with your attorney on methods to arrange this agreement.

4. Municipal Budgets

We will start seeing the effects of municipal budget shortfalls on records offices. Reduced staffing and outdated systems might allow longer effective dates and more errors to creep into property records. How can you as a professional abstractor differentiate yourself from others when this happens? By building a strong relationship with the personal in the records room you will be more aware of where the weaknesses are in the records and figure out how to circumvent them. At the same time, a cooperative arrangement with the clerk can help locate hard to find recordings when that becomes an issue.

5. Business Cash Flow

After all the business development efforts and cost-cutting, business cash flow is still the most important aspect of a professional abstracting enterprise. Beware of the trap of taking a job just for the sake of income or revenue. A bad project can turn cash flow negative very quickly once you factor in the value of your time in chasing the search and even chasing the payment. This time gets in the way of developing new business later. Consider quoting prices based on a 15-day payment, with a higher price for invoices received after 20 days. If you cover multiple counties be vigilant on expenses for travel. You can use apps like Route4Me to plan the most cost saving route and time for multiple stops.

Nashville Meet & Greet

Debi Merrill

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The Nashville Meet & Greet will be held August 20, 2011. NALTEA will have a booth at Old Republic Title's Annual Tennessee Agent's Seminar event on Friday, August 19th, to promote a better understanding of today's title examining process.

On Saturday, Aug 20, attendees will have the opportunity to meet and talk to some of NALTEA's Board members. The NALTEA Review class will be featured, along with a presentation by Dave Pelligrinelli on Non-Traditional Title Searches. The Certification Exam will be made available for those interested in becoming certified.

The event will be held at the Doubletree by Hilton, downtown Nashville, with rooms available for \$129.00 a night, if you mention you are with NALTEA. The room must be reserved by July 29th.

The event will run from 8:00 - 5:00, at a cost of \$50 per person, including a classic breakfast. The exam and review book can be purchased, if desired. Dave's topic of Non-traditional searching will suggest methods for abstractors to develop additional lines of business to increase income and secure a diverse client base.

If you are interested or have any questions, please contact Debi Merrill (sqi@charter.net) 931-649-2990, or events@naltea.org. Looking forward to seeing YOU in Nashville!!!

Membership Committee Update

NALTEA proudly welcomes our newest member:

Jennifer L. Rosado

NALTEA now has **124** active members.

The organization welcomes input from the membership. You can contact the board members or the various committee chairpersons at the e-mail addresses found on the NALTEA website at www.naltea.org.