

NALTEA

National Association of Land Title Examiners and Abstractors

In this issue:

Message from the President

Front Cover

Government Rights In Real Estate

Front Cover

Education Committee Update

Page 2

2006 NALTEA Winter Conference, Clearwater, FL

Page 2

Treasurer Report

Page 3

2005 Profit and Loss Report

Page 4

NALTEA Membership Update

Page 4

Hyde Park: Speaker's Corner

Page 4

Message from the President

The 2006 NALTEA winter conference is behind us. We have 3 new faces on our Board of Directors. Congratulations to Lynn Hammett, Patrick Scott and Tim Lunn. Congratulations also to our new vice president, Robert Franco and new treasurer, Jay Duncan. You also have a new president this year, and although I have been a member of the board, for a year and a half, this is a new undertaking and a responsibility that I do not take lightly.

I feel energized by the enthusiasm shown at the winter conference and the responses we have received since. We are all hoping that this will be a growing year for NALTEA. We currently have 103 members. Wouldn't it be wonderful if we could double that number this year? Remember the more voices we have, the stronger our organization will become. We all need to get the word out and try to bring people into this organization, even if they are your competition.

As to what my vision is for NALTEA, it really hasn't changed from the beginning. I want abstractors to be recognized for the important work that they do. I want us to have RESPECT in this industry. I believe that education and training of our members will help us to be the best at what we do. The education

committee is meeting twice a month to help provide education and to get our certification program up and running. I would like to see more of our members getting involved in our organization. We can only be an organization **for** our membership, if we get input **from** our membership. If you feel that you cannot devote the time to join a committee, then write an article for the newsletter, send in suggestions, email a board member or committee chair with your concerns. We need to hear from all of you all year long and not just at the conference. I would like to see us continue to have discussions and meet with other organizations within our industry. We need to promote ourselves. The Public Relations committee is working on doing just that, but you as members can help also. Let the people that are part of the industry in your area know who we are and what we are about.

I look forward to the coming year. I am very proud to serve as the president of NALTEA. If you have any comments, questions, concerns or ideas please email me at pres@naltea.org or wsteudel@accusearchco.com. I promise you will get a reply.

Wanda Steudel, President

Government Rights In Real Estate

Jeanine Johnson
Email: LandRecs@aol.com

Abstractors and Title Examiners know that certain rights belong to one or more levels of government (federal, state, county, parish, city, township, etc.) These are never attainable by an individual, and fall into four basic categories: Eminent Domain, Police Power, Escheat and Taxation.

Eminent Domain is the federal, state, and local government's legal right to "take" land "when necessary" "for the public good" with "due process of law" and

upon providing "just compensation." (The common name for this process is "Condemnation.") While historically condemnation has been used to obtain lands for public roads, we have recently seen the concept of "the public good" extensively expanded by the U.S. Supreme Court. In the case "Kelo vs. New London," the U.S. Supreme Court refused to overturn a lower court ruling where Kelo sued the City of New London for taking private property to give to another *private* owner in order for the city to widen its tax base, and "improve" the community. The case has caused tremendous uproar, with a host

Contact:

NALTEA
105 Concord Plaza
Suite 201
St. Louis, MO 63128

E-mail: info@NALTEA.org

of states now considering the enactment of new laws to oppose such taking.

Police or government power also occurs at all levels of government (federal, state and local). These are rights designed to protect the public by creating laws and rules to assure the health, welfare, safety, morals and well-being of the general public including such things as building codes, zoning rules, and ordinances. These rules do not allow taking of land, but rather regulation of how land is used. Abstractors and examiners, as their local practices dictate, may or may not disclose these in their abstracts or title work.

Escheat refers to the right of state governments to take real or personal property when a person dies, if he has absolutely no heirs and has left no will. Under the laws of intestate succession, it is very unlikely that a person will die with no heirs, but it does happen occasionally.

Taxation is the government's right at all levels to charge fees on real or personal property to gain revenue. Real estate taxes are a "first lien" on real property. In most states, no notice is required to be placed in the public record showing real estate taxes are due. We, as abstractors and examiners, are charged with knowing that owners of real estate must pay real estate taxes, as it is always, automatically, a lien on their land. When not paid, the owner risks losing his/her land. The government also reserves the right to collect other taxes, such as federal taxes and state taxes. However, these taxes are not "first liens" on the property (i.e. having priority over other liens such as mortgages and deeds of trust) because the liens attach only when the notice of such lien is recorded in the appropriate public office.

Jeanine (Jeanne) Johnson has authored a number of courses, most notably *Principles of Abstracting and Land Records Management*, *Title Examination for Title Insurers* and *Legal Descriptions*. She also writes and conducts seminars and workshops for real estate professionals and associations and most recently, authored a national continuing education textbook published by Dearborn Real Estate Education, Chicago, IL entitled "*Title Insurance for Real Estate Professionals*" a Title Insurance 101 course for Real Estate Agents, Title Agents, and Mortgage Bankers. She is a member of the NALTEA education committee.

Education Committee Update

Email: education@naltea.org

Last spring, the Education Committee submitted a certification test at the Spring Conference. A number of people took the test and because of the feedback, we determined that our work had only just begun. The board asked us to revisit testing and certification, which is what we are now doing. The Education Committee is currently working on a Study Guide and using that process to guide a new test for certification. We will be discussing exactly what certification means, and what guidelines will be followed for a person to be deemed "certified". Also, we will discuss the requirements that will be needed to maintain certification. We encourage and appreciate your

input as we continue to refine this process.

In the past year our chairperson, **Shannon Blatt**, was forced to resign for personal and business reasons. We appreciate all of her hard work and wish her much success in her endeavors. Lynn Hammett took over as Committee Chair and finished the year by working with members to develop a six month plan which includes working on a study guide, determining the best way to test (online vs. testing centers), creating a more comprehensive test, and acquiring state specific information. We have been successful in acquiring most state specific judgment statutes, and are currently asking members to provide abstracting guidelines for each state. Please forward any information you can provide to the education committee email found at the NALTEA website.

At the January conference, **Lynn Hammett** was elected to the NALTEA Board of Directors. This resulted in the appointment of a new Education Committee chair. We want to thank **Rochelle Eckhardt** (Title Reports Plus, Maryland) for agreeing to chair the Education Committee.

2006 NALTEA Winter Conference Clearwater, Florida

Jay Duncan, the outgoing NALTEA president, opened the conference with welcoming words for the attendees and a report of NALTEA's accomplishments and successes to date. In his opening remarks, Duncan expressed the need for more understanding and better relations among title professionals.

Bert Rush, of First American Corp., offered compelling evidence as to the importance of experience and diligence in the roles of title abstractors and examiners. Rush, the author of *Claims Chronicles*, conveyed his message through actual examples of claims encountered by his company along with ways for the attendees to avoid such pitfalls.

Wanda Studel, of AccuSearch Co., and a NALTEA board member, presented an educational workshop on conducting full title searches. In addition to the proper construction of the full search, Studel's presentation also served to clear up common misconceptions as to the roles of title searchers, title abstractors and title examiners respectively.

Chuck Hawthorne, of Integrated Imaging, introduced his company's order management and document imaging system, Quest Express, with a presentation by **Slade Smith**, of Source of Title, and a recorded presentation by **Robert Franco**, President of Source of Title and outgoing NALTEA board member. Quest Express allows users off-site information storage and the ability of ones clients to directly access search products purchased from the user. Attendees were invited

If you have an idea for an article,
please contact
publication-benefits@NALTEA.org.
Any contributions to the newsletter will be
greatly appreciated.

to visit Integrated's booth, maintained throughout the conference, for further demonstration and answers to their questions.

Linda Hernandez, of Old Republic Title, presented a workshop covering the differences between Owner's Policy and Lender's Policy. Hernandez also provided a wealth of information on specific abstracting requirements for waterfront properties, condominiums and planned unit developments.

The board of directors took nominations from the floor to fill 3 vacancies on the NALTEA board of directors. The outgoing board members in attendance, Jay Duncan and **Smitty Strickland**, both gave a short speech about their respective experiences as board members and the future roles and efforts they expected to contribute. Jay Duncan read a statement from outgoing board member Robert Franco, who was not in attendance. Jay Duncan introduced the five candidates seeking election by the membership to the board of directors. The candidates in attendance, **Kurt deVries**, **Lynn Hammett**, **Tim Lunn** and **Patrick Scott**, each gave a short summary of his/her industry experience and presented his/her vision for the future and direction of NALTEA. Wanda Steudel spoke on behalf of **Jacqueline Polverari**, who was not in attendance. The voting members in attendance then cast their votes for the three board positions.

January 15, 2006

Day two of the conference opened with the introduction by Jay Duncan, outgoing NALTEA president, of NALTEA's new president, Wanda Steudel. The new board had elected the new president and officers at a meeting prior to the conference opening on January 15. Wanda Steudel then introduced the 2006 board of directors and officers. The 2006 board members are: Lynn Hammett, Tim Lunn, **Rick Martinez**, Patrick Scott and Wanda Steudel. The 2006 officers are: Wanda Steudel, president; Robert Franco, vice-president; **Mary Mitchel**, secretary, Jay Duncan, treasurer.

Wanda Steudel outlined her plans and goals for NALTEA in 2006 and honored the 2004-2005 board members with recognition of their service to NALTEA and the betterment of the industry. She then presented each with a personalized, engraved plaque.

Michelle Gilbert, an attorney with Kass, Shuler, Solomon, Spector, Foyer & Singer, P.A., and a member of the American Legal and Financial Network, conducted a workshop on probate, estate planning and living trusts, emphasizing their effect on determining legal title to property. She stressed the importance of obtaining as much information as possible in the event of the death of a titleholder, so that all interest in the property may be accounted for.

Florida attorney **Daniel Consuegra**, also a member of the American Legal and Financial Network, conducted a workshop on the ways in which foreclosure searches differ from current owner searches. From the different records that must be abstracted to the challenges the attorneys face in piecing together the information received from the abstractor or title company, Consuegra offered an overview necessary to

understanding the importance of the abstractor's diligence.

Rick Martinez, of Real Property Resources, and a NALTEA board member, presented an in-depth look at legal descriptions from the perspective of an experienced land surveyor. Martinez told of survey methods and tools used in the original American colonies and how the tools, methods and legal descriptions have evolved to those we see today. Martinez also provided a lesson on the manual drafting of a metes and bounds legal description, while noting the existence of computer programs that can now assist in mapping complicated legal descriptions.

NALTEA business was conducted with reports forthcoming from the chairperson, or acting chairperson, from each of the standing committees and the new treasurer, and closing remarks by the new president. A question and answer period was held and the conference was adjourned with a vote by the present membership.

Treasurer Report

The end of 2005 and the beginning of 2006 are always a busy time for everyone, especially for those dealing with the accounts of our own business, getting everything together for our CPA's so we can get those taxes either paid or hopefully that ever cherished refund. As Treasurer it is my responsibility to make sure that every penny is kept track of and make a report to the membership. Like other associations, we have on-going expenses such as: a monthly newsletter, Website hosting, and web-site design and upkeep.

The total income for the NALTEA 2006 Winter Conference was \$12,775.00 and the expenses were 14,063.20, which included a shipping charge for a certified check since the hotel and the bank could not get connected about the debit card. This conference resulted in a net loss of \$1288.20. The additional expenses came in with the cost of an open bar on Friday night and dinner and a DJ on Saturday night. At the Virginia Beach Conference, the dinner cruise was optional for the attendees at their additional expense. In comparison with previous conferences, the expenses ran at a \$101 per person for Dallas, netting \$7012, Virginia Beach \$92 per person, netting \$4361, and \$165 per person in Clearwater. Below is the 2005 Treasurer's Report covering all those items. As of January 31, 2006 there is \$21,136.23 in the checking account.

Feel free to contact me at treasurer@naltea.org should you have any questions.

Jay Duncan
NALTEA Treasurer

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.

2005 Profit and Loss Report

NALTEA Membership Update

| | <u>Jan - Dec 05</u> |
|--------------------------------|------------------------|
| Ordinary Income/Expense | |
| Income | |
| Certification fees | 0.00 |
| Contributions Income | |
| Sponsorship Income | <u>500.00</u> |
| Total Contributions Income | 500.00 |
| | |
| Membership Dues | 19,277.63 |
| Program Fees | 855.00 |
| Registration Income | <u>20,195.50</u> |
| Total Income | 40,828.13 |
| | |
| Expense | |
| ARTWORK | 15.00 |
| Association Set up expenses | 500.00 |
| Automobile Expense | 105.79 |
| Bank Service Charges | 5.00 |
| Charitable Law Fee - Ohio | 50.00 |
| Contract Labor | 3,944.25 |
| Dues and Subscriptions | 75.00 |
| Interest Expense | |
| Finance Charge | <u>49.39</u> |
| Total Interest Expense | 49.39 |
| | |
| Miscellaneous | 223.96 |
| Office Supplies | 29.81 |
| Postage and Delivery | 168.91 |
| Printing and Reproduction | 2,088.11 |
| Professional Fees | |
| Accounting | 1,450.00 |
| Consulting | <u>3,678.75</u> |
| Total Professional Fees | 5,128.75 |
| Program Expense | 16,717.27 |
| PROMOTIONAL PRODUCT | 1,211.90 |
| Reconciliation Discrepancies | -0.33 |
| SALES TAX | 43.89 |
| SHIPPING | 55.76 |
| Travel & Ent | |
| Meals | 534.60 |
| Travel | 1,989.38 |
| Travel & Ent - Other | <u>356.23</u> |
| Total Travel & Ent | 2,880.21 |
| | |
| WEBSITE HOSTING | <u>598.80</u> |
| Total Expense | <u>33,891.47</u> |
| | |
| Net Ordinary Income | 6,936.66 |
| Other Income/Expense | |
| Other Income | |
| Other Income | <u>0.00</u> |
| Total Other Income | <u>0.00</u> |
| Net Other Income | <u>0.00</u> |
| Net Income | <u>6,936.66</u> |

NALTEA welcomes the following new members.

| | |
|--|--------------------|
| Law Bulletin Blair Wagner | Chicago, IL |
| O&E Specialties, Inc. Frank Lopez | Lutz, FL |
| Southern Abstract Services, LLC Vikki Moffitt | Lagrange, GA |
| Clydesdale Abstract Corporation Erin Carraway | Sharon Springs, NY |
| Jeanne Johnson & Associates Jeanne Johnson | St. Paul, MN |
| Abstract Title Consultants, Inc. Jan Vogeler | Trout Valley, IL |
| Infotrack Information Services, Inc. Quanah Rhodes | Deerfield, IL |
| Absolute Property Services, Inc. Wayne Schutt | Liverpool, NY |
| Los Angeles County Document Services, Inc. Elisabeth L. Thierstein | Glendale, CA |
| Source Document & Information, Inc. Nikky Eisenhuth | Clearwater, FL |
| National Closing Solutions David Tandy | Sugar Land, TX |
| Electric City Abstracts, Inc. Brad Whitfield | Anderson, SC |

This brings the total membership to 106 members. If you know anyone else who may be interested in joining NALTEA, please email info@naltea.org. Someone will contact them with a membership application.

NALTEA's goal is to double its membership this year. You can help by spreading the word among your peers. Share your newsletter with them and let them know that they can find more information at www.naltea.org.

Hyde Park: Speakers' Corner

Smitty Strickland, Blue Granite Title
Email: speakerscorner@NALTEA.org

Smitty has decided to discontinue writing the Hyde Park: Speakers' Corner column. We thank him for his past contributions.