

Closing Times®



Colorado
Association of
Certified
Closers, Inc.

eNewsletter

Website: www.cacc-closers.org

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UPCOMING Winter Education Session

February 9th – Denver

Join us for the "Winter Training Event" in February.

Its time to get out of the snow for a day and spend time with colleagues learning and sharing information about our industry. We have a full day of speakers and information planned. We will be joined by Kristin M. Bronson, partner with Rothgerber Johnson & Lyons LLP to discuss Real Estate Professionals Obligations and Liabilities in Colorado. You will be able to brush up on your Reverse Mortgage skills when Paulette Wisch, COML., Manager for Universal Lending joins us to provide details and updates. You won't want to miss out on the Compliance and Consumer Course with Marc Friedland, Management Analyst/U.S. Department of Housing and Urban Development Compliance Officer. His program is sure to heighten your knowledge about RESPA, AfBA's, Fraud, Section 8 & 9 and how to be sanctioned by HUD. We have been impacted by a difficult market and the atmosphere in our industry has been hopeful. Our last speakers, Brian Marston and Kurt Rogers, will share their insight. Hear more about how the mortgage industry is affected by the status related to the stocks/bond markets. Last but not least, we hope you will want to stay for the CACC board meeting. Find out what is new and exciting for CACC and for members; this is your chance to make your vote count!

Marcia Wallis, 1st Vice President 2007-2008

Reflections from a Past President

As anyone who has been in this business for any length of time knows, our business seems to run in peaks and valleys and we are now starting our climb out of the valley. I have seen many lows in the business over the years and believe me we do survive, and fortunately we gain a little personal growth in the process. I challenge you to embrace this time and take advantage of all of the educational opportunities that are provided. Get involved in the settlement associations like the Colorado Association of Certified Closers and the American Escrow Association. The educational sessions and networking with other individuals will help make you a more valuable employee, and we want to be an asset to our employers. Before long we will be nearing the Peak time and we want to be ready to meet the challenge. I believe it takes a special caliber of individual to do what we do and I am proud to be a closer.

Jodie King, Advisory Chair of Past Presidents 2007-2008

Want to know the
answers?

Attend our Conference!

For registration form - Go to: www.CACC-closers.org

Education Events – Flyer

You're an Essential Piece

When you come to a quarterly education seminar, you can also attend the Board meetings and vote on issues that affect the membership. You are an essential piece of the puzzle, so please attend. They are held every August, November, February and May. The board meetings are held right after the educational sessions and are open to all members in good standing. As a member, your vote is important and will impact the direction CACC goes in supporting you, the Closing Officer.

Future Educational Opportunities

Spring Annual Conference
May 3-4th in Colorado Springs

Stay tuned for more information and great speakers that will present the educational events. Remember – all board meetings held are open to members in good standing. Please attend and be a voice for your Association.



American Escrow Association

Please visit www.a-e-a.org for current events or to find out more information about next years annual convention.



National Annual Convention June 12-14 2008 Washington, D.C.

Our National Affiliate's annual convention next year will be on Capitol Hill. Mark your calendars early! Do you want to represent CACC? Let us know if you would like to be a delegate at the annual convention.

American Escrow Association News from D.C.

CA Gov Schwarzenegger has gotten involved in trying to get his congressional members to help increase the loan limit for Fannie Mae and Freddie Mac securitized loans (or loans held in their portfolio). This would be an attempt to get loans up to \$650,000 easier to sell to investors by allowing these entities to buy the loans. The current limit is \$417,000. In the meantime the FHA reform proposals are still continuing. The Senate is trying to increase the basic limit up to \$417,000 from the current \$362,790 and the House is working towards higher limits. This is a mess as the whole legislation is still bogged down. I am surprised that this has not moved further already as the CA market is so key. I can tell you that the main regulator in DC recommends no increase on the theory that a lot of smaller/safer loans are better than some risky big ones.

Some of you are involved in short sales. In the past my understanding is on so-called short sales the lender did not completely walk away from the deficiency--they just did not pursue a judgment. This often left borrowers without a tax problem until the limitations period expired. The other issue was whether the lender filed an IRS 1099-C form and what they put on it--the numbers indicated whether a taxable result would follow. At the Jan. Board meeting I reported on The Mortgage Forgiveness Debt Relief Act of 2007 which is now law and allows a restructuring or other form of debt forgiveness on home loans without tax consequences on up to 2 million in debt relief. On a short sale even if there would otherwise be a 1099-C filed because the lender contractually agrees NOT to seek a deficiency judgment in the future, the borrower would not have to pay taxes. Basically they might not even have a taxable result on the short sale but even if they did the Act would give them relief. This new law applies to restructuring a loan, short sales and foreclosures and just walking away from the home and debt. So, yes, someone could walk away from a 2 million dollar home loan debt with no tax cost at least. The law goes back to discharges of debt on or 1/1/2007 so it is quite generous. In other words if you read that someone can get a deal by reducing their home loan debt by \$100,000 and, as an additional benefit, not paying tax on it--for once this is the truth!!

On the short sales and tax law, here are a couple more examples: If the property declined in value by \$100,000 from the time of purchase to the time of short sale AND the debt was reduced by \$100,000 there would be no tax problem anyway for the borrower/seller--as a general rule. However if the decline was \$50,000 and the debt reduced by \$100,000 this is where there could be a tax result --maybe \$50,000 in taxable income--which is now eliminated by the new law I cited. In all cases that is the lender's responsibility not yours. I do not know what they are doing under the new law.

I mentioned in an earlier e-mail that FHA loan limits had been increased in the Omnibus Spending Bill signed into law at the end of last year--that was only for multi-family housing it turned out.

And now the good news: In the stimulus package just announced by Congress (and my understanding is the President agrees) there is an increase in the caps on Fannie Mae and Freddie Mac conforming loans to as much as \$725,000 in high-cost areas. California (and some others) you are about to be saved!!!!

Arthur E. Davis, AEA Legislative Advocate

TIDBITS....

.. from "RESPA News"

12-27-07

OMB talks RESPA with NAMB, NAR

OMB held meetings with mortgage brokers, Realtors and HUD to discuss HUD's new proposed RESPA reform rule, currently under Regulatory review.

1-15-08

RESPA Violations result in criminal charges for Arizona real estate co.

Rarely does a violator face such punishment. However, the tide may be turning as HUD recently reported the case of 4 persons involved in a real estate business that were charged in criminal court and ordered to pay six-figure amounts for RESPA Section 8(b) violations and failing to report certain payments on the HUD-1.

.. from "The Title Report"

1-2-08

Identity theft to remain thorn for title industry in 2008

Experts believe 2008 will bring an increase in the number of security breaches due to poor information handling policies and practice, and title companies will be no exception.

Housing market

Total existing-home sales inched up .4% in November, according to NAR. This trend indicates the housing market has reached its low point.

Mortgage application volume skyrockets

1-9-08

Spurred by lower interest rates, refinance activity also spiked upward, accounting for 57.7 percent of all activity-- it's highest since March 2004. Mortgage application volume rebounded substantially following the holiday week.

1-11-08

Bank of America buys Countrywide

Bank of America will become the nation's largest mortgage lender and loan servicer after acquiring Countrywide. Countrywide will benefit from the stability of one of the most financially strong financial institutions in the US.

1-8-08

New Mexico calls for a reduction in title insurance rates

The position is that title companies have no incentive to compete on prices charged to consumers because the services are marketed to agents rather than to homeowners.

Comment from a Colorado Realtor: Title work in New Mexico is 2-3Xs higher than in Colorado. And customer service to all is far better in Colorado, due to competition.

Review of a Day in Greeley

Fall Conference was held on Nov 10, 2007 in Greeley at the Quality Inn. It started early in the morning and was jam packed with education, shopping and stimulating conversations.

We started the morning out with a two hour presentation from Bill Crews, Crews & Zeren, LLC. The presentation covered items such as local activity, past & recent, mineral leases and how to handle mineral drilling leases in a closing. To see the presentation please click on the following link:

<http://www.crews-zeren.com/html/seminar.pdf>

Our next discussion was provided by Kevin Hyland, a special agent with the Colorado Bureau of Investigation. Kevin provided us with an update on local Mortgage Fraud; this has been very popular topic among our industry and any updates are always beneficial. CACC's desire is to educate as many people as possible so as to avoid/prevent situations like these.

Bobbie Baca, Department of Regulatory Agencies, Colorado Division of Insurance, gave us an update on the Sunrise Bill for closer certification as well as other changes in regards to regulating title insurance.

Last but certainly not least, Kurt Rogers, President of Affordable Interest Mortgage and Brian Marston, Senior Advisor for Life Certain Wealth Strategies spoke about the effects of the stock market on our mortgage market. They were able to tie the two industries together and paint a very helpful picture on the reason for the headlines we have seen lately. Kurt also gave a presentation on HB3915.

We had several vendors for the ladies to go shopping at, namely: Silpada, Beijo Bags, Impressions by Natalia, Arbonne and AVON. – Thank you Ladies, we also enjoy some luxury shopping.

I'd like to thank everyone for their attendance and participation. It was nice to see our members who drove from varying distances and we even welcomed several Real Estate Agents in attendance.

Our goal is to provide education to the industry, not just closers, so we appreciate any and all affiliates who attended.

Our next conference is February 9, 2008 at One Tabor Center, Denver – I hope to see you all there.

Candace Edgar, President Elect 2007-2008

Colorado Sunrise Review: Closing Agents

DORA has completed its evaluation of the Sunrise Application for regulation of Closing Agents. No evidence was presented that Closing Agents do not possess adequate skills, education or competence necessary to practice safely. As a result, the public cannot expect to benefit from an assurance of competency through regulation. To adequately protect the public, our CACC certifications were identified as an alternative to regulation that is already available. Enacting a licensing program could create unnecessary regulation, and cause an unnecessary barrier to entry into the profession which could cause potential adverse effects on the consumer. It was recommended that the General Assembly impose a bond requirement. We are not aware of any further action at this time to pursue state licensing, registration or certification of closing agents, settlement agents or settlement providers.

Kathy Sullivan, Corresponding Secretary, 2007-2008

Uniform Closing Instructions

From MBA, AEA and ALTA

Final comments were due to the above agencies by January 15, 2008 with final reviews being done by the first part of February. Many states are continuing to request changes that address issues that affect their venues only. The makers of these instructions are attempting to avoid any state specific addendums while making every effort to include any and all possibilities in the Instructions themselves. Colorado representatives are continuing to be a part of the committee reviews. It is anticipated that the final drafts will be out soon. At that time, CACC will provide a 4 hour seminar, one in Denver and one in Grand Junction, host inviting all settlement agents, title companies, lenders, Realtors, real estate agents and any other interested parties. The committee will keep you informed as progress continues.

Kathy Sullivan, Corresponding Secretary, 2007-2008

...more TIDBITS

1-14-08

First American subsidiary marks milestone in China

First Title (Beijing) Real Estate Guaranty Co. Ltd, a wholly owned subsidiary of the First American Corp., is the first of its kind in China and is dedicated to providing real estate finance service information. In China, the need for real estate mortgage, refinance and escrow services are rapidly increasing. (*Remember, AEA was a part of a task force a few years back that went to China to assist in the beginnings of this effort*)

...from "The Legal Description"

1-25-08

A proposal by Congress would temporarily allow Fannie and Freddie to buy or guarantee mortgages as high as \$729,750 in cities with high housing prices. One feature included in the plan would increase the conforming loan limits for Fannie Mae and Freddie Mac. The higher allowance would expire at the end of the year, though it would be permanent for loans by FHA. Currently, FHA can't guarantee mortgages higher than \$367,000.

...from the "Mortgage Fraud Blog"

1-8-08

Grand Jury Indicts Colorado Man for Fraud

He was charged with 1 count of violating the Colorado Organized Crime Control Act, 1 count of theft, and 60 counts of securities fraud. A Colorado man allegedly solicited numerous investors to buy distressed properties for eventual resale. Investors put 5% down to buy, then the man's company promised to manage, fix up and rent to a tenant. All including making the mortgage payments, which stopped in Aug, 2006. Many loans defaulted, and investors' credit was ruined, and it appears that the Colorado man used some of the money for his own personal expenses.

Someone Once Said...

We are not here merely to make a living. We are here to enrich the world.

Woodrow Wilson
U.S. President (1913-1921)



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