



1

# **OMG!** **I need to do what?**

**WELCOME DANA O'DELL**, REGIONAL VICE-PRESIDENT  
LIGHTHOUSE TITLE GROUP

**AND**

**CHRISTINA ROBINSON**, REGIONAL MANAGER  
CAPITAL TITLE

2

## **Communicate!**

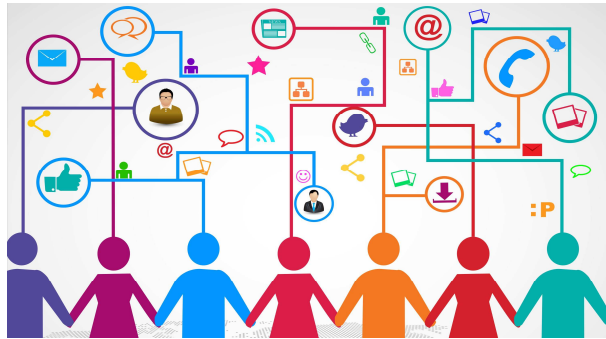
### **Title, Escrow and Customers, Oh My!**

**How are you obtaining requirements to close?**

#### **Responsibility**

- Title agency assistance
  - Internal and External
- Real Estate Agents, Lenders, Attorneys
- Consumers direct interactions

**How do you follow up?**



3

## **Overcoming lack of communication**

#### **How many times do we touch the file?**

- Preliminary Commitment
- Pre to Purchase
- Lender order
- Preliminary Fees/CPL/Commitment
- Scheduling
- Escrow workup
- Disbursement



This Photo by Unknown Author is licensed under CC BY-SA

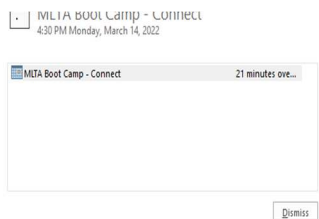
4

## Getting answers

- + How can we as Escrow Agents ask better questions to help “think outside the box” to get enough evidence to move to the closing table
- + Example: Husband and wife are vested in title
  - Wife passes away
  - Husband has misplaced original death certificate of wife
- ❖ What are my options?



5



## Utilizing tools

- + **Software**
  - Does your software provide checklists
  - Paper checklists
  - Have note sections
  - Offer task lists
  - Reporting tools
    - Reports based on tasks
    - Auto assignments to departments
- + **Tickler systems**
  - Outlook reminders, tasks

6

# Where do I begin?

## + Your title commitment is your recipe

➤ This will give you "requirements" to clear prior to scheduling a closing

## + Your purchase agreement is one of your main ingredients

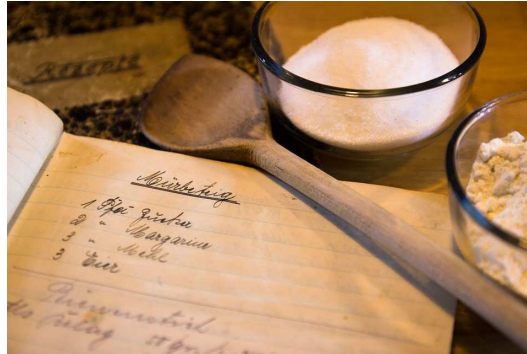
➤ This will give you most of the transactional information for your statement

## + Application of your agency processes and procedures

## + Application of your underwriter's guidelines to insure the transaction

## + Lender Closing instructions

➤ These will give you the "requirements" the lender needs for closing



7



### Processing checklist sample:

- Check NOTES in file
- Title Requirements are in file
- Review purchase agreement & ALL addendums
- EMD receipted and/or accounted for on statement
- Trusts/Resolutions/POA/Representative in appr and in system properly
  - Signature lines
  - Recording fees
- Copy of MTG/assignments/discharges
- CD from lender
  - Check Buyer name against CD/mtg
- Check seller names against last deed
- Check legal on new mtg vs file
- Invoices being paid
- Payoffs- through correct date?
- Realtor Fees & commissions
- Water/sewer payoffs
- Tax payoffs-
  - Delinquent taxes to County
  - Current tax to municipality
  - Special assessments
- Tax pro-rations
- Transfer tax-
- Recording fees correct?
- Checks made out to correct name
- File Balances-funding matches with lender
- Checks cut for closing table
- 1<sup>st</sup> lien letter or Marked up commitment for lender
- Title docs prepared

8



## Trusts

### Certificate of Trust - Why do we care?

- ❖ Signing authority - Who is the Current Trustee
- ❖ Signature lines for closing documents
- ❖ Review prior to closing and make sure it has the following; and collect original at close for recording
  - Name of the trust, date of the trust, and date of any amendment to the trust or restatement of the trust;
  - Name and address of each current trustee'
  - Powers of the trustee relating to the real property;
  - The revocability or irrevocability of the trust and the identity of any person holding a power to revoke the trust;
  - The authority of co-trustees to sign on behalf of the trust and whether all or less than all of the co-trustees are required to sign
  - Statement that the trust has not been revoked, modified, or amended in any manner that would cause the representations included in the certificate of trust to be incorrect;
  - The legal description of the real property to be insured
  - And, must have a drafted by with return to.

9

## Death and Probate

- **Death Certificate - Why do we care?**
  - To record at the register of deeds to clear an interest
  - Collect original at close
- **Probate - What do we need?**
  - Letters of Authority
  - Signing authority
  - Signature lines for closing documents
  - Need prior to closing



10

## Difference between LLC and Corp.

### + **LLC - Limited Liability Company**

- ❖ Review Operating Agreement
  - ❖ Who has the authority to act on behalf of the LLC - Member/Manager
- ❖ Obtain Articles of Incorporation

<https://cofs.lara.state.mi.us/SearchApi/Search/Search>

### + **Corporation**

- ❖ Review Resolution by the Board
  - ❖ Who has the authority to act on behalf of the Corp - President, Secretary, etc.

11

## Land Contract



- + Fee simple Owner
- + Land contract on Exceptions
- + Recorded
- + Unrecorded

12

## What is needed for Land Contract

### + The original Land contract

#### Need original terms to draft statement

- Property taxes
- Commissions or other terms
- Policy
  - *What kind?*
  - *Who pays*
- Transfer tax

#### Need land contract to draft deed

- Pay transfer tax on original price

13



#### Land Contract Payoff Statement

Date: August 21, 2019

Seller(s): Micky  
Buyer(s): Minnie

Property address:  
123 Gooly Lane

Tax ID: 123-45-67-8910

The following represents total payoff for the above property address

Land Contract Payoff Amount ..... \$

Transfer Taxes Due to Register of Deeds.....\$  
Based on Original Sales Price of \$

Total amount due to Seller(s): ..... \$

Payoff Figures are valid thru :

Seller:

By: \_\_\_\_\_  
Micky

Buyer:

14

# Deed verbiage

***THIS DEED IS GIVEN IN FULFILLMENT OF THE LAND CONTRACT  
DATED \_\_\_\_\_ \* BETWEEN THE ABOVE PARTIES.***

\*IF LAND CONTRACT OR MEMORANDUM OF LAND CONTRACT IS RECORDED INCLUDE THAT  
INFORMATION AS WELL

15

## Payoffs



- + When to order payoffs?
- + Payoff Statement
  - Good through dates
  - Late fees and per diems
  - Wire vs overnight
  - Do you need Certified funds
  - FHA payoff vs conventional- per diem

16



## Payoffs – continued



### ➤MSHDA/HAMP/Modification/ Silent 2<sup>nd</sup> mortgages

- Must get payoff for both payoffs, once modified it becomes 2 mortgages
- Can use a payoff that clearly breaks down the 1<sup>st</sup> and 2<sup>nd</sup> mortgage- verify via phone, it pays of both

### ➤Escrow accounts

- Overages & Refunds
- Shortages for payoffs

17

## HELOC/Line of Credit Payoffs



### + Best Practice

- Freeze account letter
- Verbal confirmation
- Example: Seller bringing money to close – Say What?

### + Valid payoff letter

### + Close out letter - payoff and close account

- Include owners' forwarding address

18

### LINE OF CREDIT PAYOFF AFFIDAVIT SAMPLE

Re: Loan Number: \_\_\_\_\_  
 Property: \_\_\_\_\_  
 Date: \_\_\_\_\_  
 Lender: \_\_\_\_\_

I, the undersigned, in order to induce ABC TITLE (hereinafter referred to as the "Title Company") to issue its policy(ies) of title insurance covering the above captioned property, hereby agree as follows:

1. I currently am the borrower under a deed of trust to the captioned Lender, which deed of trust allows me to make draws and/or receive advances of money by request.
2. I hereby agree that the loan payoff figures divulged to me by the captioned Lender and by the Title Company are correct to the best of my knowledge and that there are no draws or checks outstanding which will cause the payoff figure divulged to be insufficient for full and complete satisfaction of the loan.
3. I hereby agree and understand that effective immediately the aforesaid loan will be paid off entirely and will be release of record in the appropriate land records office. I will no longer be able to receive any funds from this loan account and the loan account will be canceled entirely. In order to receive further credit from the Lender involved, I will need to make application with said Lender for a new and separate loan.

BY COPY OF THIS AFFIDAVIT TO THE CAPTIONED LENDER, I HEREBY REQUEST THAT THE CAPTIONED LOAN ACCOUNT BE CLOSED ENTIRELY AND THAT THE LIEN BE RELEASED OF PUBLIC RECORD.

4. By signing below, I further agree that, should any checks or drafts be presented to the Lender subsequent to the signing of this Affidavit, thus creating a shortage of payoff funds held by the Title Company or its agent, I will advance sufficient funds to the Title Company or its agent to effect the full payoff of the loan. These required funds will be delivered to the Title Company or its agent immediately upon demand

19

## Privately held mortgages



- + **Written payoff from the entity or individual**
- + **Confirm the preparation of the release**
  - Require submission and review of the discharge
  - Have a copy in file and collect original at close
  - Add recording fees on statement for the recording of the discharge
- + **If you are requested to prepare Discharge on behalf of customer?**
  - Check internal guidelines to see if your agency and underwriters allow this

20



## Private Mortgage and Lien Discharge Requirements

- + Discharge must include the liber and page or instrument number of the mortgage or lien being discharged
- + Lien discharge must include who lien was against
- + All additional register of deeds formatting requirements apply
- + Are there additional fees due?

21

## Mortgage Discharge - Sample

KNOW ALL MEN BY THESE PRESENTS, That \_\_\_\_\_ (Lender) \_\_\_\_\_ whose address is \_\_\_\_\_

do(es) hereby certify that a certain mortgage dated the \_\_\_\_\_, 20\_\_\_\_, made and executed by of the first part, to \_\_\_\_\_ (Borrower) \_\_\_\_\_

of the second part, and recorded in the Register of Deeds Office for the **County of** \_\_\_\_\_, State of Michigan, in Instrument # \_\_\_\_\_, covering land situated in the **County of** \_\_\_\_\_, State of Michigan, described as:

SEE ATTACHED LEGAL

is fully paid, satisfied and discharged.

Tax Parcel No:	_____	Address:	_____	Common	_____
----------------	-------	----------	-------	--------	-------

22