

Happy
Memorial
Day!

ChicagoBlog

where we share our *knowledge* and *experience*.

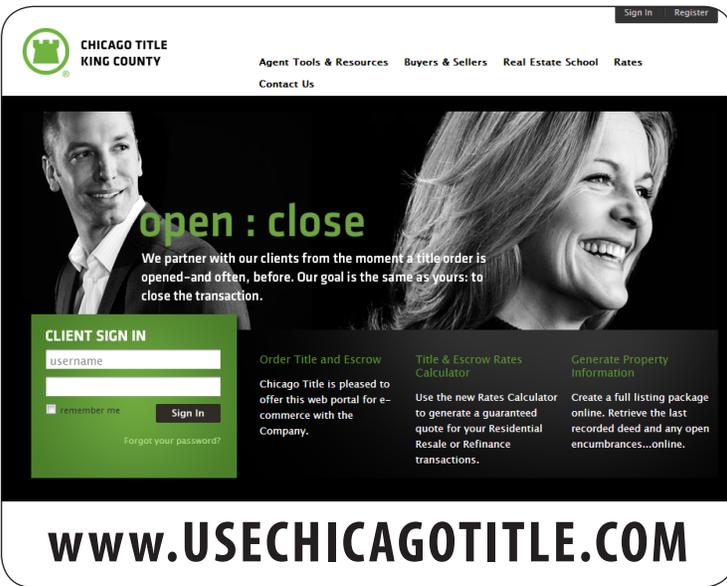


CHICAGO TITLE

May
2013

Featured Website

By  CHICAGO TITLE



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KING COUNTY

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open : close

We partner with our clients from the moment a title order is opened—and often, before. Our goal is the same as yours: to close the transaction.

CLIENT SIGN IN

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May Fun Facts & Events 2013

1. May Birthstone: Emerald, symbolizes success and love
2. Zodiac Signs: Taurus - 05/1 - 05/20, Gemini - 05/21 - 05/31
3. April Flower of the month: Lily of the Valley
4. May is the third and last month of the season of spring
5. The month of May is devoted to the Virgin Mary in the Catholic Church
6. May 1st is May day celebrating the arrival of Spring
7. May 5 - Cinco de Mayo celebrating Mexican heritage, culture and pride
8. May 7 - National Teacher Day
9. May 12 - Mother's Day
9. May 20 - Victoria Day celebrating the birthday of Queen Victoria
10. May 27 - Memorial Day
11. May is National Fitness and Sports Month
12. May is Asian American and Jewish American Heritage Month
13. May is Skin Cancer Awareness and National Bike Month

ESCROW CORNER

ZERO demand

Chicago Title's Albany, Calif. office opened a For Sale by Owner transaction with a sale price of \$495,000. The escrow assistant, Debbie Neylan, ordered a title report. The title report reflected two deeds of trust on title, each with a reconveyance recorded with a side note that read, "Said deed of trust appears to be reconveyed by the above recorded instrument. An inquiry must be made with the lender confirming payment prior to close."

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ZERO demand

cont'd

Debbie requested loan numbers from the seller, an unmarried woman. The seller responded that the loans were paid in full and she had a new loan that just recorded. Debbie requested payoff information for the new loan as well as the prior two loans. The seller reluctantly provided the loan numbers and contact information for all three lenders. Debbie then ordered an updated title report to reflect the new deed of trust, which had recently recorded.

The new loan was through a private lender, Ronald V. Cupp. Debbie ordered the payoff information and at the same time contacted the former lien holders to verify they had, in fact, received payment in full. Neither lender would confirm payment in full to Debbie without a signed third-party authorization from the seller.

Debbie tried another tactic; she ordered payoff statements from both lenders in writing. Neither lender responded immediately to her request. Debbie printed copies of the recorded reconveyances and found they were signed by none other than the new private lender Ronald V. Cupp!

Cupp signed as attorney-in-fact on both reconveyances. The documents were notarized. Debbie looked up the notary information only to discover the notary worked at a Mail Boxes, Etc., not at the financial institution purportedly releasing the lien.

Debbie tried calling the first lienholder one more time. Lo and behold the first lien holder confirmed their loan had been fully paid and stated it would take 21 days to research the validity of the reconveyance. In the meantime the second lienholder finally responded to Debbie's payoff request and faxed a demand for more than \$95,000.

Buyers and seller had been waiting for loan documents to arrive for closing. There had been a long delay due to appraisal issues and both were very anxious to sign, especially the seller. Debbie allowed the signing to proceed with payoff to the second lien holder in the amount of \$95,000 showing, as well as the payoff to Ronald V. Cupp in the amount of \$137,000.

For the first lienholder, Debbie estimated reconveyance fees and explained to the seller the Company would not close until the first lienholder provided a zero demand and/or a reconveyance executed by one of their corporate officers.

After much persistence, Debbie learned the first lienholder's loan number the seller had provided was for a previous loan that was paid in full. However, there was a current loan with an outstanding balance of more than \$358,000.

The escrow officer called the seller and asked her about the loans, but the seller quickly got off the phone and said she was going to talk to her attorney. The file was put on hold, since there were not enough sale proceeds to pay all three loans:

1st Loan Payoff = \$358,000
2nd Loan Payoff = \$ 95,000
3rd Loan Payoff = \$137,000
TOTAL = \$590,000

The buyer was devastated to learn they were not going to be moving into their dream home. They were holding out for some reasonable explanation from the seller, but the seller refused to talk to them or anyone else involved in the transaction.

Debbie's diligence in following Company procedures is commendable. Had she not unraveled the mystery of the forged reconveyances, the buyer would have closed and most certainly the 1st and 2nd lienholders would be foreclosing for the prior owner's unpaid loans.

Tax-Related Identity Theft

An identity thief may use your Social Security number to get a job or to take your tax refund. Contact the IRS if they send you a notice saying their records show:

- you were paid by an employer you don't know
- more than one tax return was filed in your name

Uncovering Tax-Related Identity Theft

The IRS uses your Social Security Number (SSN) to make sure your filing is accurate and complete, and that you get any refund you are due. Identity theft can affect how your tax return is processed. An unexpected notice or letter from the IRS could alert you that someone else is using your SSN. The IRS does not start contact with a taxpayer by sending an email, text or social media that asks for personal or financial information. If you get an email that claims to be from the IRS, do not reply or click on any links. Instead, forward it to phishing@irs.gov.

If someone uses your SSN to get a job, the employer may report that person's income to the IRS using your SSN. When you file your tax return, you won't include those earnings. IRS records will show you failed to report all your income. The agency will send you a notice or letter saying you got wages but didn't report them. The IRS doesn't know those wages were reported by an employer you don't know.

If someone uses your SSN to file for your tax refund before you file, they may get your refund. When you file your return later, IRS records will show the first filing and refund, and you'll get a notice or letter from the IRS saying more than one return was filed for you.

Dealing With Tax-Related Identity Theft

If you think someone used your SSN to get a job or tax refund — or the IRS sends you a notice or letter indicating a problem — contact the IRS Identity Protection Specialized Unit at 1-800-908-4490 immediately. Specialists will work with you to get your tax return filed, get you any refund you are due, and protect your IRS account from identity thieves in the future.

Other Steps to Repair Identity Theft

After you contact the IRS, it's important to limit the potential damage from identity theft:

- Put a fraud alert on your credit reports.
- Order your credit reports.
- Create an Identity Theft Report by filing an identity theft complaint with the FTC and filing a police report.



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